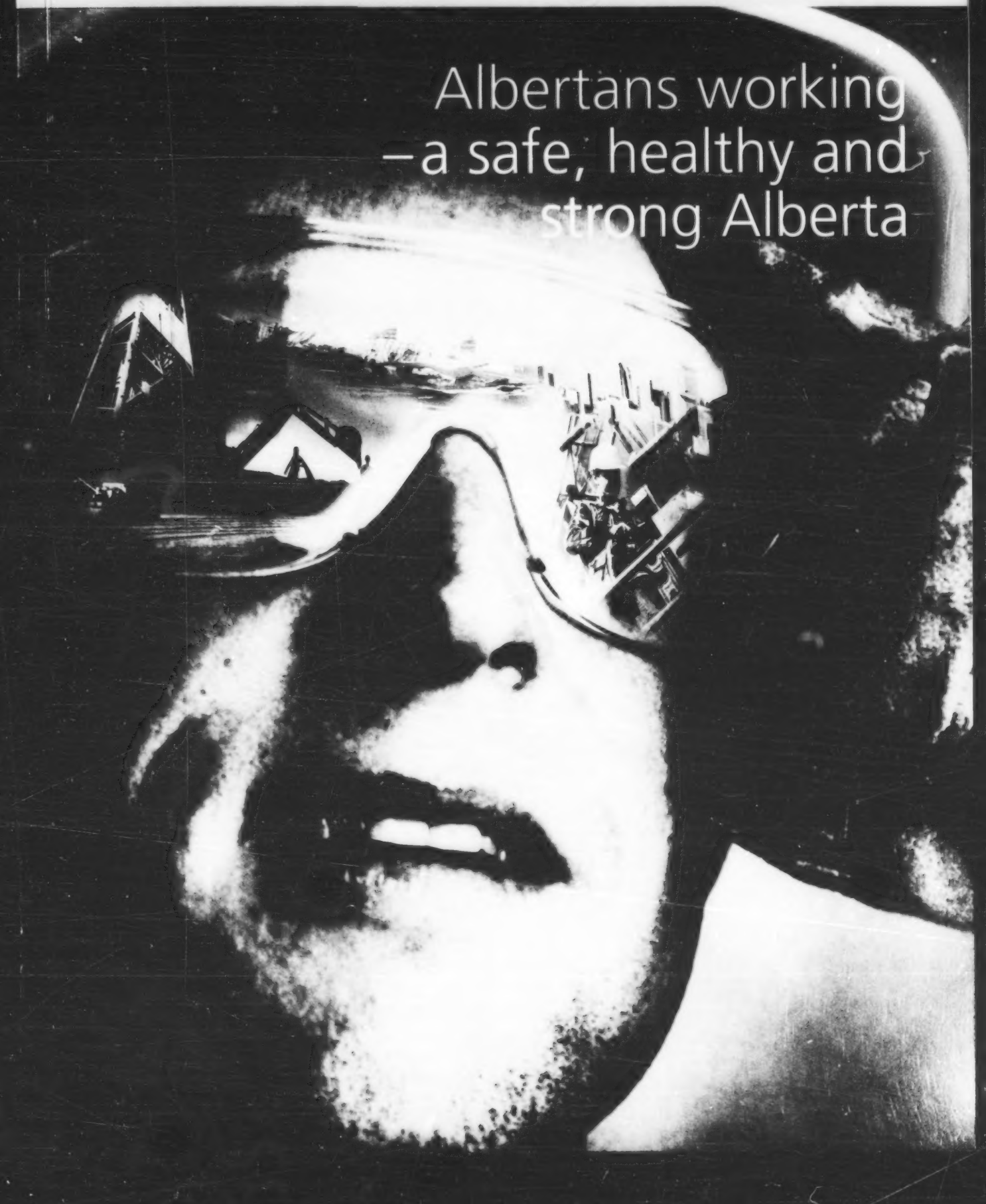
Albertans working –a safe, healthy and strong Alberta



CONTENTS

2 Message from the Chair
3 2000 Board of Directors
4 2000 Strategic Management Council
5 Message from the President and CEO

Working Albertans

8 Options
10 Small Changes
12 A Time To Heal
14 My Left Foot

Working Together
to Build a Safe, Healthy and Strong Alberta

17 Balancing the interests of employers and workers
17 Safety is a collective responsibility
19 Safety Pays! – *in premium reductions*
20 Building safer workplaces – *community partnerships*

Innovation
Keeps Albertans Working

25 Improving how we connect with our customers
26 Products and services for a safer Alberta
27 Millard Centre's reputation grows
28 Working with health care providers
29 New appeal numbers down and efficiency up
29 Special Investigations Unit protects accident fund

Our Vision for Albertans

31 WCB's Corporate Objectives

WCB-Alberta
2000 Financial Statements

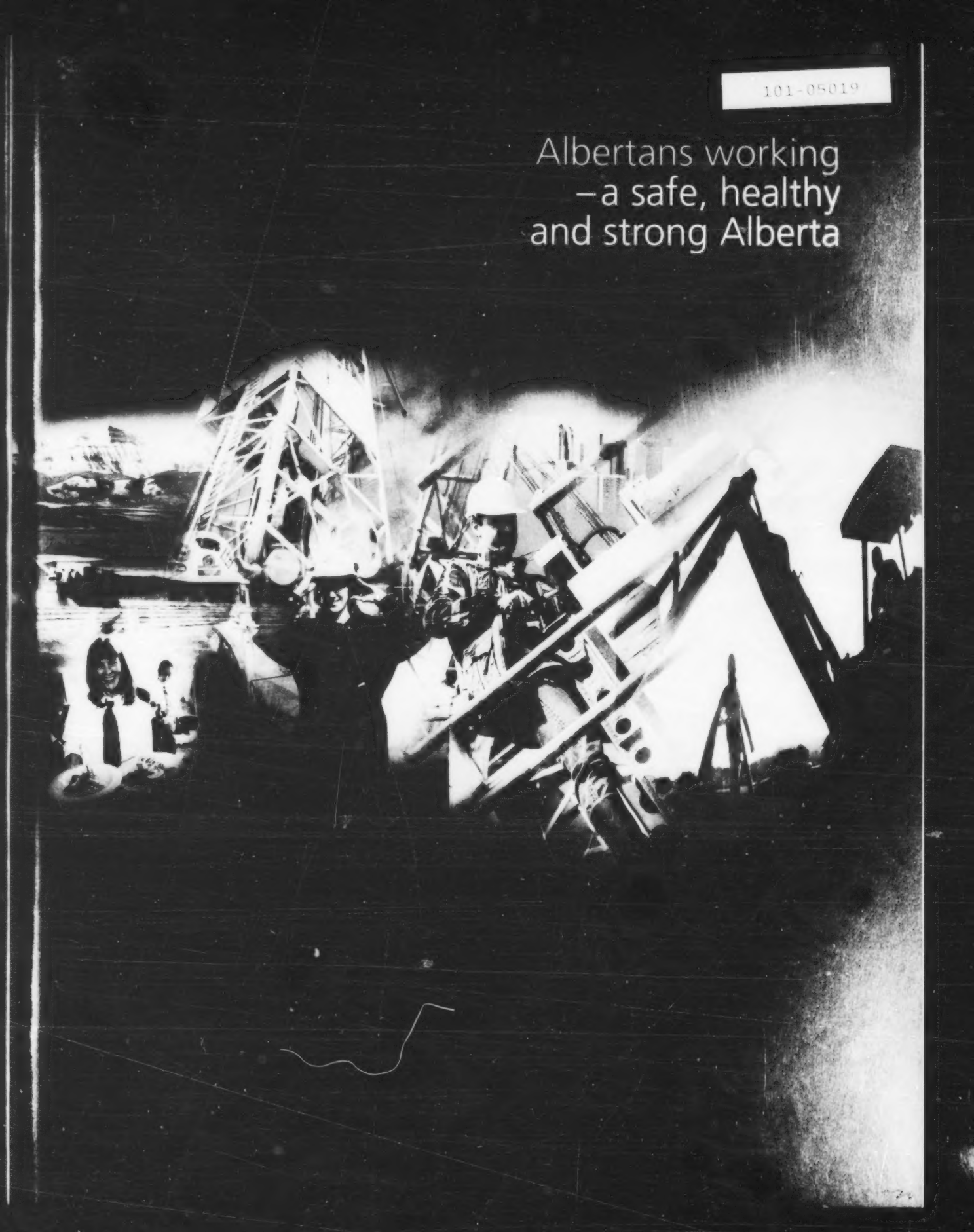
35

Year at a Glance

53

101-05019

Albertans working –a safe, healthy and strong Alberta



Message from the Chair

Albertans working – a safe, healthy and strong Alberta is both the title of the 2000 Annual Report and WCB's corporate vision for the future. As we mark the beginning of a new millennium, I believe it is important to restate the vision that will guide WCB in the years to come.

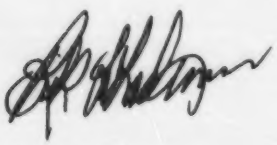
The members of the Board of Directors are representative of the interests of workers, employers and the general public. As a group, they serve all Albertans by ensuring the continued success of WCB – Alberta. As individuals, each member makes a significant contribution. I'd like to personally thank and recognize four outstanding board members, Bob Drinnan, Herman Bruin, Bill Spring and Sandy Beagle, who completed their terms. I would also like to welcome new board members Gerrie Dakers, recent chair of the Alberta Labour Union Coalition on WCB, and Don Ritz, from Syncrude Canada Ltd.

The WCB is charged with balancing the interests of workers and employers in the administration of the no-fault insurance system. We achieve this balance by maintaining ongoing dialogue with our stakeholders. We depend on their input as we review and change our policies. Balance has always been at the core of WCB service improvements and benefits review.

It was balancing the needs of both injured workers and their employers that we kept in mind as we responded to two reviews of WCB undertaken by the Government of Alberta in 2000. One report looked at services of the WCB and the other the appeals system (both the first level of appeal, internal to the WCB, and the external Appeals Commission). We put forward our responses to the recommendations as requested by the Minister of Human Resources and Employment, and we look forward to implementing recommendations that will further improve the services, fairness and responsiveness delivered by WCB.

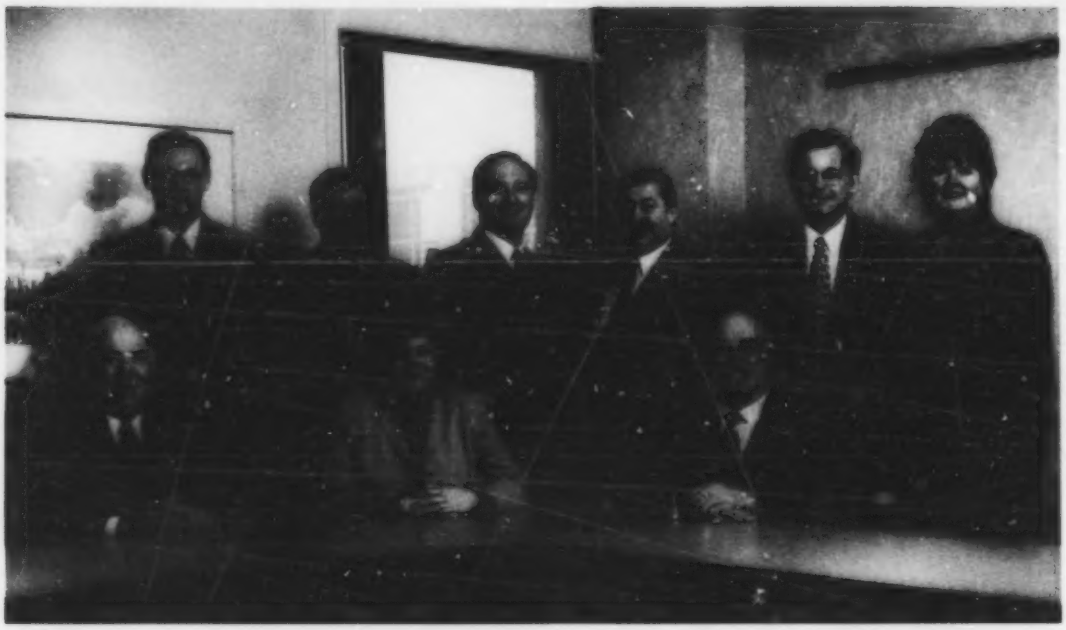
Most importantly, WCB continues to be part of the Alberta advantage. Led by a strong executive team, WCB continues to meet the company's day-to-day challenges with a greater focus on customer service and many concrete examples of operational efficiencies. The Board of Directors focuses on results—and a key result is the financial stability of the WCB. WCB - Alberta has one of the lowest premium rates in North America. Our position has not changed, even with the dramatic increase in claim volumes and costs witnessed during the last year. Injuries drive premium rates; this is no different than any other insurance. We cannot maintain our favourable position if injury rates continue to rise. Instead, we must focus on preventing injuries to reduce the overall impact of injury and illness on Albertans.

Even in today's rapidly changing environment, we will continue to work with our partners in safety associations, business, industry and labour to make WCB even more relevant as an efficient insurance organization for all our customers.



Rick LeLacheur

2000 Board of Directors



Back row from left:

Don Ritz, *representative of the interests of employers*
Tony Gordon, *representative of the interests of workers*
Gary Cerantola, *representative of the interests of the general public*
George Chatschaturian, *representative of the interests of workers*
Rick LeLacheur, *Board Chair*
Mary J. Cameron, *President and CEO*

Front row from left:

D.M. (Bud) McDonald, *representative of the interests of employers*
Gerrie Dakers, *representative of the interests of workers*
Barry Munro, *representative of the interests of the general public*

Missing:

Sandy Beagle, *representative of the interests of the general public*

Vacant, representative of the interests of employers

2000 Strategic Management Council

From left:

David Renwick, *Vice President and Chief Financial Officer*

Guy Kerr, *Vice President, Business Development and Information Management*

Dieter Brunsch, *Vice President, Customer Service and Risk Management*

Doug Mah, *Secretary and General Counsel*

Mary J. Cameron, *President and CEO*

Missing:

Brian Boon, *Vice President, Customer Service and Disability Management*

Message from the President and CEO

As we move forward, we continue to emphasize an important part of our culture: the strong belief that we can always improve. Nowhere is that attitude more essential than in the area of safety—and no time is better than now to focus on safety.

Alberta's booming economy in 2000 was regrettably reflected in this injury statistic: every four minutes an Albertan was injured on the job. This is a statistic that no business, or Albertan, can or should live with. The resulting impact on insurance rates was significant, and the impact on our community, friends and coworkers was even greater.

In the year 2000, the total number of new claims reported increased by 18.5% and the total cost of claims increased by 17% over the previous year. Severity of injuries, delays in access to health care services, an aging population of workers, a shortage of skilled and experienced workers, and a higher number of young workers coming into the workplace all contributed to the frequency and cost of claims.

The increase in the number and costs of new claims far outpaced the expected growth on the employer side in total insurable earnings, and the average premium rate for 2001 increased by 14.3%. In fact, the forecasted workplace injuries and claims costs would have driven our insurance rates up 30%. But knowing the impact a 30% increase would have on any business, we used our reserve and passed on about half the required rate increase to employers. What we wanted to do was charge employers as little as possible. However, we made that decision to keep the rate increase down knowing that it will impact rates in the years to come.

The most effective way to reduce the impact and cost of workplace illness and injury is to prevent injury altogether. Safety is a collective responsibility, shared by employers, their workers, safety associations, WCB - Alberta and Workplace Health and Safety. Last year it cost a total of $801 million to compensate workers injured on the job, or roughly $6,400 for each working minute.

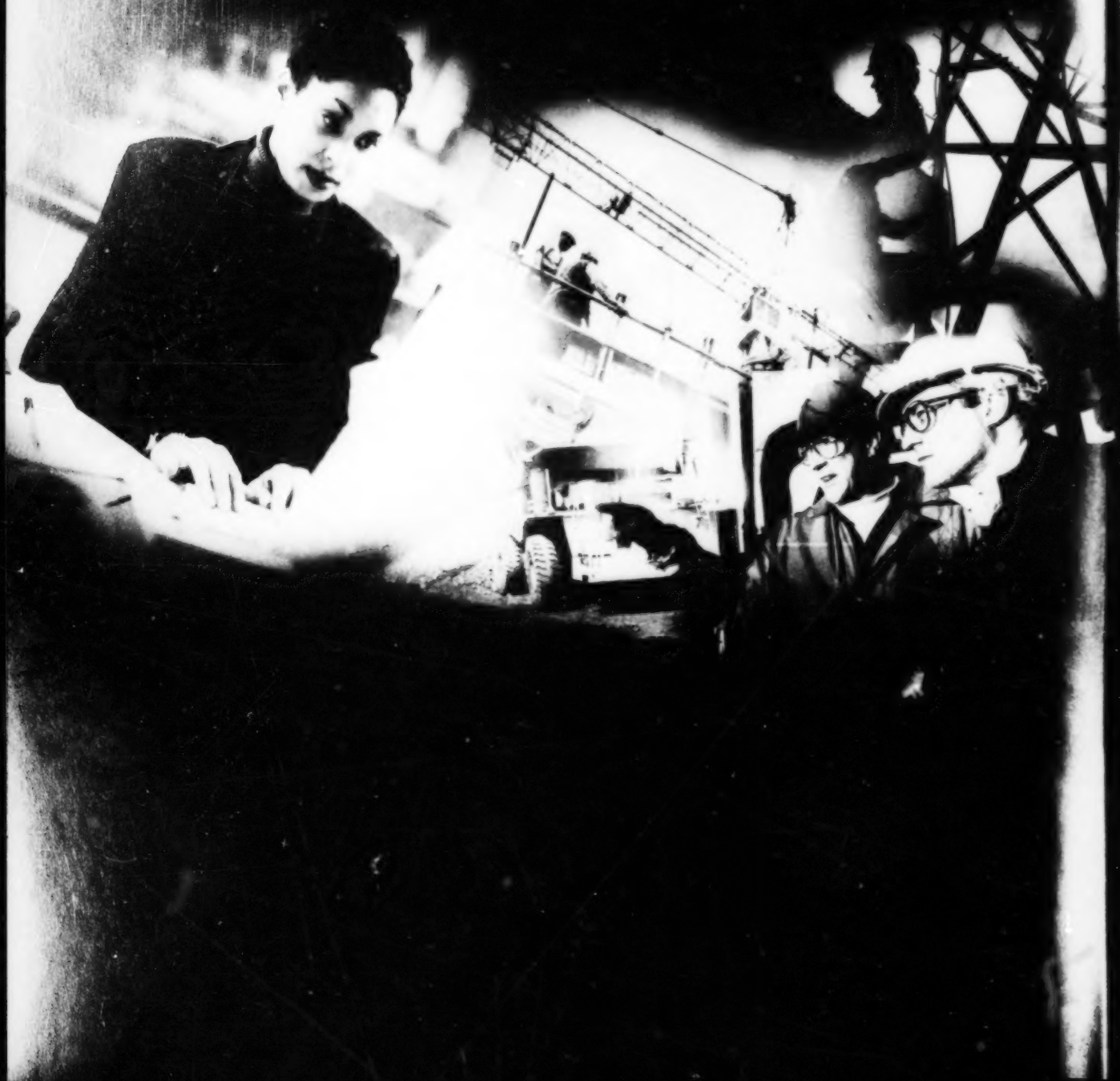
The WCB's contribution to bringing that cost down and to encouraging safety comes in many forms. One example is the enhanced Partners in Injury Reduction (PIR) program, which is geared to all employers in the province regardless of size or industry. The program encourages employers to develop effective work-site health and safety, and disability management programs, and it works! The WCB will be refunding over $15 million to more than 2,400 companies in PIR for their performance improvements in 2000.

Internally, we have focused on building better relationships with our customer groups. Our Customer Connect model created integrated teams of staff with unique expertise in the types of cases they serve, enabling us to make better decisions on claims. Customer Connect also enables the teams to work more closely with injured workers and their employers to develop return-to-work plans.

Working on workplace safety together will save lives, reduce injuries and save employers money. By getting more involved in injury prevention and implementing comprehensive workplace safety programs, we can boldly drive our vision of *Albertans working—a safe, healthy and strong Alberta*.

Mary J. Cameron

Working Albertans



Injuries happen every day. In fact, 15 Albertans were injured on the job every hour

in 2000. At the WCB, we understand the devastating impact injuries can have on the injured person and their family. Our business is meeting the health care and financial needs of these people while helping them return to full and productive lives as quickly as possible. And our vision drives our business: *Albertans working—a safe, healthy and strong Alberta*.

No matter how serious the injury, the outcome is always best when the WCB works in partnership with the injured worker, employer and health care providers. The following stories illustrate how that partnership works toward our collective goal of getting workers back to where they were before their injury or illness.

"I think I bring credibility to the role of safety advisor and an understanding of how important safety is for everyone in the company to manage." Kevin Brzak, Red Deer

Options

May 27, 2000—Kevin Brzak, a derrick hand, was on his way to a work site with his rig manager and a lead hand. As the trio traveled the northern Alberta highway, the truck they were in was involved in a vehicle roll-over accident.

Kevin was the only one wearing a seatbelt. His injuries included bruising and lacerations, a sprained ankle, a separated shoulder, broken ribs, a punctured and collapsed right lung, and swelling on the brain. The others in the vehicle sustained severe spinal cord and head injuries.

"I made the mistake of staying in the vehicle even after I said I was uncomfortable with the speed we were going," says Kevin. "I thought I would bring it up with upper management after we had arrived at the work site."

The injured men were transported by air ambulance to Edmonton, and Kevin ended up at the University of Alberta Hospital for trauma surgery.

The accident was reported to the WCB. Because of the severity of Kevin's injuries, the WCB's Customer Connect petroleum industry team was pulled together immediately. Team supervisor Don French, adjudicator Jason Ofner, account manager Paul Tamagi, and case manager Robin Scotland looked at the seriousness and long-term involvement required. The team decided that Robin, a WCB

case manager with 10 years combined experience in disability management and vocational rehabilitation, would go to the U of A Hospital right away.

"Although I was in Intensive Care and couldn't see Robin, he talked to my wife, who was very grateful to have an understanding of my benefits and the next-step options for rehabilitation," comments Kevin. "After that I talked to Robin on the phone, sometimes on a daily basis. He laid out the information for me and told me not to be concerned because he would take care of things and keep me updated."

As soon as he was conscious Kevin's goal was to get back into motion, and he did what he could on his own. "It was willpower and an excellent doctor that got me out of the hospital," he says. "But my case manager, Robin, and the WCB played an integral part in the rest of my recovery. From early on, Robin's focus was on me returning to work."

Kevin remained immobile after he returned home, and his wife, a new mother, needed some help around the house. Robin told Kevin the WCB could hire someone to do the heavy yard work or they could provide an allowance to pay someone of Kevin's choosing. "This is just one example of how Robin was always giving me options and allowing me to make the decision – then he always acted on my decision promptly," says Kevin.

While Kevin was going to physiotherapy three times a week, Robin talked with several people at Kevin's employer to discuss Kevin's return-to-work options. When Kevin became strong enough to work again, he started with modified job duties in the Red Deer office, and continued to see a physiotherapist Robin had lined up for him in the area.

At first Kevin's modified work program included filing and paperwork. As he got stronger, he moved up to moving small boxes and fittings. After a while, he started moving bigger parts and tools in the work yard.

"At that point I was OK'd to return to work as a derrick hand. Unfortunately, my right lung had scar tissue from the accident and I had difficulty fending off infection," recalls Kevin. "I soon came down with pneumonia."

The pneumonia was a sign that his condition was still unpredictable – as was his return to work as a derrick hand. Kevin told his WCB case manager that he had been interested in becoming a safety coordinator, so Robin contacted Kevin's employer to see if it was possible. The corporate safety manager at Kevin's workplace looked into getting him that position in safety.

Kevin got the job and is back to his pre-accident earnings. Now, as part of his employer's safety team, he works as a health, safety and environment advisor. "There was a balance of both worker and employer winning," notes Robin.

"I think I bring credibility to the role of safety advisor and an understanding of how important safety is for everyone in the company to manage," says Kevin. "Guys in the field understand my genuine concern for safety – my story opens their eyes to their safety options."

"There was a balance of both worker and employer winning."
Robin Scotland, WCB Case Manager

"I never expected to make a WCB claim, but once I did, they started treatment quickly."
Jan Phillips, Calgary

Small Changes

Back injuries, broken bones or serious trauma often come to mind when we think of typical workers' compensation claims. But the types of claims on the rise are the chronic aches and pains that we try to ignore until they begin to affect our everyday activities.

Consider Jan Phillips. She spends a lot of time at her job on the computer and performing various other tasks that require repetitive movements. When a big project hit, involving long days and weekend work, she found herself experiencing tremendous pain throughout her shoulders and neck. Although she hadn't yet missed any work, Jan was getting to the point where she wouldn't be able to perform her regular work duties.

She decided to see her doctor, who prompted her to fill out a WCB form. Jan's condition, a repetitive strain injury (RSI), had developed as a direct cause of the work she did and could result in more serious injury if it wasn't addressed quickly. But Jan hadn't thought of submitting a claim to the WCB, since no "accident" had occurred. "I never expected to make a WCB claim," she says. "But once I did, they started treatment quickly."

Not only has Jan recovered, but because she didn't miss any work and her employer picked up the cost of the new furniture, they were better able to control their WCB premiums.

Several physical therapy sessions followed, but Jan's symptoms continued to come and go. "We knew then that we had to make a change to the way she worked and the tools she used to do her work," reports her WCB case manager, Andy Sutherland. "We wanted to make sure we had the problem solved."

Andy suggested an ergonomic assessment of her workstation, including watching how Jan performed her duties during the day. Specific recommendations followed, including changes to her workstation and furniture.

"Many of the changes were small," says Andy. They changed the height of some of the shelves so Jan didn't have to reach so far for things. They also moved commonly used materials closer to her so she wouldn't have to do as much twisting and turning.

These seemingly small adjustments have made an incredible difference in Jan's life. "Before these changes, I would go home at the end of each day in such pain," she says. Now, Jan enjoys life and works symptom-free. However, should any of her symptoms return, Andy has let her know all she has to do is submit another injury report, and he'll work with her and her employer to make sure she's working pain-free again.

Andy credits Jan's recovery to her positive, proactive attitude. "She really worked hard to overcome her condition," says Andy. "And, just as importantly, she really worked hard at staying in touch with me during her treatment. She would call me following her medical appointments with very specific information about what was discussed, making it easier for me to plan and respond to her needs, rather than having to wait for reports from specialists."

"This was very much an example of how an injured worker, their employer and the WCB can work together, making sure we communicate with each other about what needs to be done," concludes Andy.

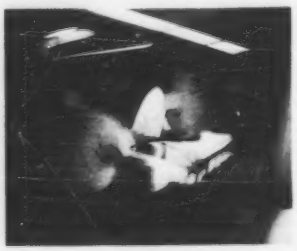
Not only has Jan recovered, but because she didn't miss any work and her employer picked up the cost of the new furniture, they were better able to control their WCB premiums. Even better, says Jan, there's been a change in the way her employer looks at health and safety, especially ergonomic injuries. "We recently had a comprehensive training session that focused on RSI prevention," she says.

"This claim was a real opportunity for everyone involved to catch the injury in the early stages, before it turned into a time-loss claim," says Andy. It's a reminder of how successful such cases can be when everyone involved focuses on both the worker's recovery and preventing further injuries.

"This was very much an example of how an injured worker, their employer and the WCB can work together, making sure we communicate with each other about what needs to be done."
Andy Sutherland, WCB Case Manager

Robert Gust, Slave Lake, is focusing on his physical rehabilitation and recovery after the doors of a gravel truck fell on him, causing extensive injuries.

A Time To Heal



It was a warm spring Friday before a long weekend and everyone was thinking about getting out of town, including truck driver Robert Gust.

Robert was hooking up a hauler to his gravel truck. He had tested the hauler three times and the gates were pinned to hold the doors open. But suddenly the pins broke and the doors fell on him, trapping his hips, arms and abdomen between them, causing extensive internal injuries, a crushed pelvis and crushed legs.

Robert spent several days in the hospital slipping in and out of a coma. In pain, immobile and uncertain of his future, he could only appreciate the fact that he was still alive. "I had no feeling from my waist down, and because I couldn't lift my head up to see my legs, I had to ask if my legs were still there."

The WCB had already arranged for modifications to his home. Stair railings and the bathroom were modified to accommodate Robert's wheelchair and to make it easier for him to get around his house.

Robert's WCB case manager, Winnie Mah, also recognized how serious his injuries were. "I went to see Robert in the hospital to introduce myself to him and his family. I wanted them to know right away that I was available to them," explains Winnie. "They had enough to think about without worrying about paying the bills."

This helped Robert focus his energies on his recovery. "I told myself, 'It's up to me now. You're going to be all right.' And I concentrated on getting better," he says. Three operations and several months later, he was finally able to go home.

The WCB had already arranged for modifications to his home. Stair railings and the bathroom were modified to accommodate Robert's wheelchair and to make it easier for him to get around his house. Robert's focus remained on getting better. "I just wanted to have my life back," says Robert. Blessed with tremendous support from his family and his employer, Robert slowly worked his way back to the point where he rarely relied on his wheelchair anymore.

However, Winnie suspected Robert wouldn't be able to return to his pre-accident employment. "An advantage of the WCB's Customer Connect model is that I've really learned a lot about trucking. I understand the conditions truckers work under every day and the challenges that they face when returning to work after injury. I also understand, psychologically, how difficult it can be for a trucker who's been injured to go back to work, as usually these kinds of accidents are very serious."

Robert continued to go to the physical therapy and acupuncture sessions Winnie had arranged for him, and he followed an extensive exercise regimen. "I knew I had to keep walking and pushing myself," he explains. "I was happy just to be mobile – just to be able to get up and go to the fridge and make myself something to eat when I was hungry. I really believe that if I wasn't going to physio I'd be back in that wheelchair."

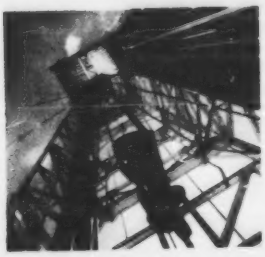
Although Robert is on the road to rehabilitation, he still has difficulty sitting for long periods of time, and extensive nerve damage has caused desensitization in his legs. But at least he can now start to think about what kind of career he wants to pursue when he is well again. "I encouraged him to start exploring the internet for some ideas on what he would like to do," says Winnie, "and to look at this as an opportunity rather than a loss." One of the opportunities Robert can use is WCB's return-to-work program.

With most of his energy focused on his physical rehabilitation and recovery, it's hard to imagine the day when he can return to work. But in thinking of the future, Robert says, "After all the suffering I've been through I know how really scary that time can be. Maybe I can help calm other people's fears – let them know 'you're here to get better, not worse'."

"I understand the conditions truckers work under every day and the challenges that they face when returning to work after injury." Winnie Mah, WCB Case Manager

Kevin Johnson, Edmonton, credits his experience with the WCB and NAIT for helping him turn a near-tragedy into a new career.

My Left Foot



For some people, a bad day at work means spilling coffee on their shirt. For former oilfield lease hand Kevin Johnson, it means being hit by a falling 800-kg drilling motor. It was October 5, 1997 on a drilling rig near Drayton Valley. Kevin was standing under the massive piece of machinery when the choker cable that held it up disengaged from its safety hook. "The motor clipped the visor of my helmet as it fell – a couple more inches and I would have been dead," recalls Kevin, now 31. "The whole weight of it fell on my left foot, and my foot basically exploded."

As he was rushed to hospital, Kevin tried to keep his mind off the injury by petting his rig manager's dog. "I wasn't sure about my future at that point," Kevin recalls. "I've always been on my feet eight to 14 hours a day." Kevin had been making $14 per hour plus overtime on the rigs. "I was deeply concerned," he says. "I didn't have an education behind me, and I had always relied on my back and my legs. I thought, 'I might be in trouble'."

"I had always relied on my back and my legs. I thought, I might be in trouble."

Case manager Lynda Henderson remembers that Kevin had only been on the job for two weeks, which caused him more concern. Lynda says, "In addition to introducing myself and explaining our compensation system, I wanted to reassure Kevin that he was in good hands with WCB."

Kevin escaped with four broken bones and severe tendon and soft tissue damage. After several weeks on crutches, he went through physiotherapy and returned to work on the rigs to test his foot.

"I wasn't too quick on my feet and that almost cost me a couple of times. I had a couple of scares because it's a really dangerous job," Kevin said. "I was trying to stick it out, but the job just wasn't for me anymore." In April 1998, Kevin quit his rig job and consulted a surgeon to see if he could ever rely on his left foot again.

"He said my foot couldn't take hard work anymore. You need a more sedentary position. You need to be off your foot."

Kevin enrolled in academic upgrading and in a course designed to help injured workers choose a new career. His research led him to NAIT's Business program. "Placement statistics for the program were really high and the salaries seemed good," Kevin says.

Lynda comments, "Everything Kevin did was excellent, including his proposal to WCB to apply for NAIT program funding." Once Lynda ensured that Kevin had met all the criteria, WCB agreed to reimburse Kevin for his tuition costs, and in September of 1998, he became a NAIT student. "WCB was really good to me. Lynda told me not to work at a job during the school year, to concentrate on my education to get the most out of it," says Kevin.

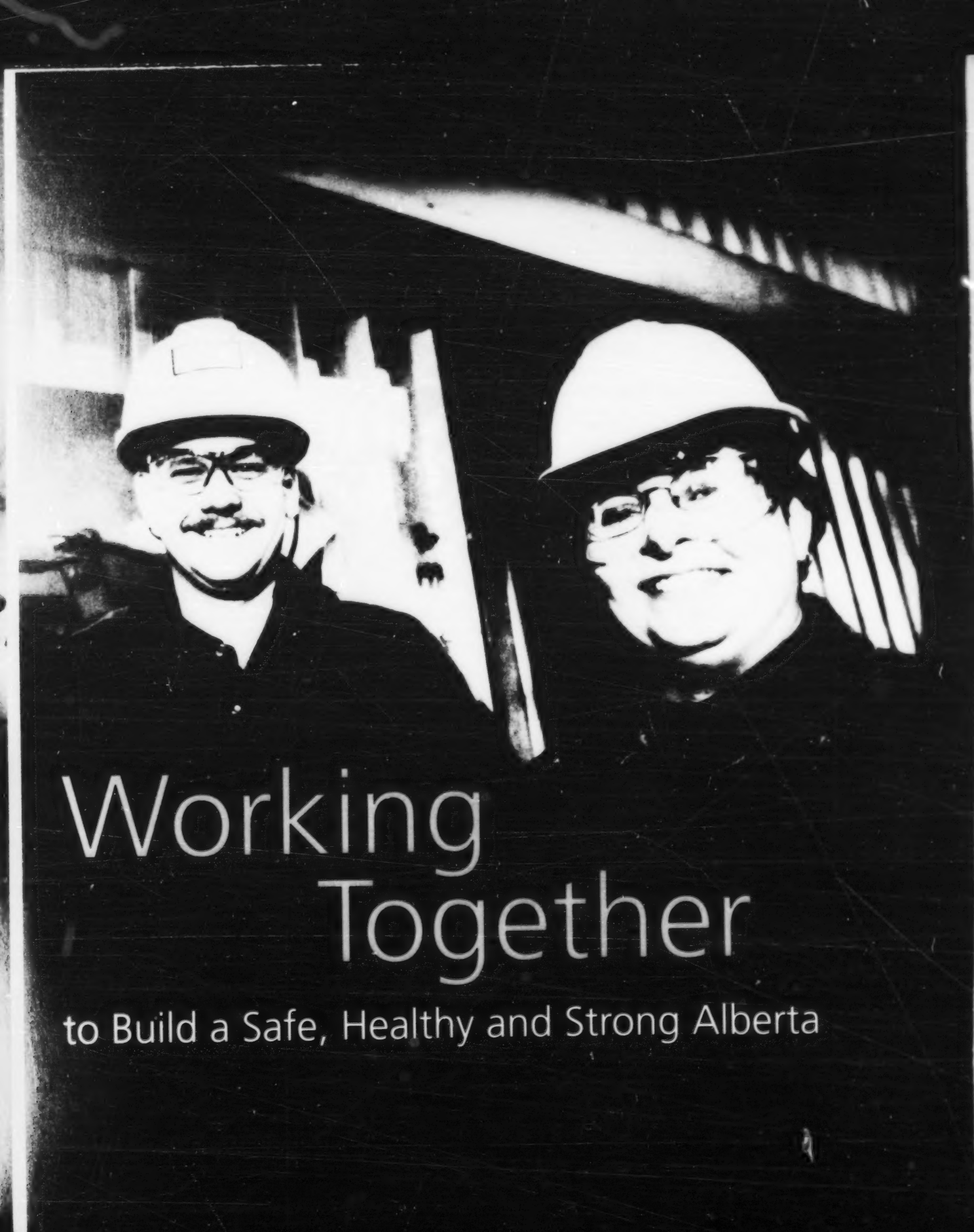
After completing 12 weeks of pre-business courses, Kevin began studying Business Administration in January 1999.

During the summer of 2000, through an optional job placement program, Kevin was placed at Imperial Oil Ltd.'s Strathcona Refinery, where he rewrote the company's administrative procedures manual, built links from the manual to Imperial's website and co-authored a newsletter on workplace safety.

Several weeks prior to his graduation in December 2000, Kevin was offered a position with Imperial Oil as Associate Manager of Company-Owned Operations. Kevin credits his experience with the WCB and NAIT for helping him turn a near-tragedy into a new career.

Contributing writer Davis Sheremata, NAIT.

"In addition to introducing myself and explaining our compensation system, I wanted to reassure Kevin that he was in good hands with WCB."
Lynda Henderson, WCB Case Manager



Working Together

to Build a Safe, Healthy and Strong Alberta

Balancing the interests of employers and workers

The basis of today's workers' compensation system is an agreement between workers and employers to provide no-fault disability insurance for the mutual benefit of workers and employers. This agreement calls for employers – not taxpayers or workers – to fully fund an insurance program to cover the cost of workplace injuries for their employees.

No-fault insurance means that if a worker gets hurt on the job, that worker has insurance to cover the costs and lost income resulting from the injury or illness – without having to establish fault before receiving those benefits. Because the employer pays the premiums for this insurance, the worker gives up the right to sue the employer for those injuries.

To operate this insurance system, a neutral agency (the WCB) is accountable to workers and employers to administer the legislation that guides the system. For the WCB, that legislation is the Workers' Compensation Act.

This system has many advantages. The worker gets healthy and returns to work, the employer has a healthy, productive employee, and the courts aren't clogged with worker vs. employer cases.

The balancing act the WCB performs every day is to make sure the interests of workers and employers are met – while following legislation and policy. The WCB is here to serve both workers and employers.

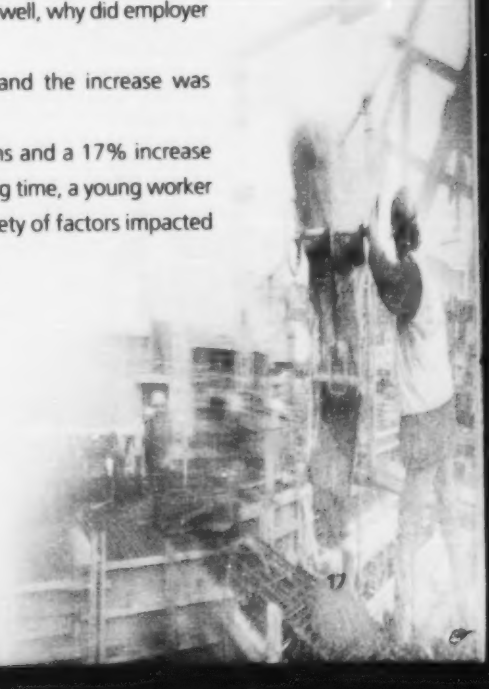
Safety is a collective responsibility

Stopping claims before they happen

During 2000, business was booming. Alberta had the highest standard of living in Canada. More Albertans were working because of the robust economy, low unemployment rate and high production of goods and services across the province. With everything going so well, why did employer premium rates increase?

Premium rates increased to reflect the growing number of claims, and the increase was compounded by the fact that claims are costing more.

In 2000, the WCB saw an 18.5% increase in the number of new claims and a 17% increase in the cost of claims. Whether it was an aging worker needing extended healing time, a young worker making their first claim or an injured worker waiting to see a specialist, a variety of factors impacted claims costs and therefore impacted premium rates.

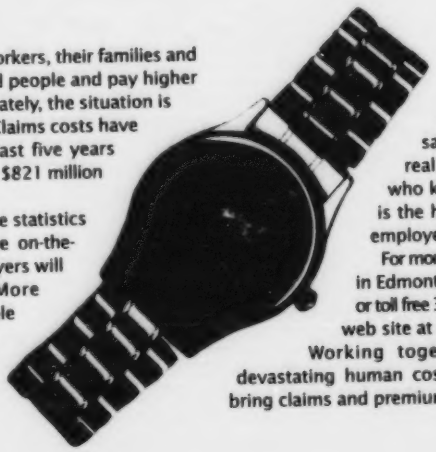


Here's an hourly rate no business can live with.

Every hour, 15 Albertans are injured on the job.

A painful statistic. Painful for workers, their families and their employers who lose good people and pay higher insurance premiums. Unfortunately, the situation is becoming even more painful. Claims costs have more than doubled over the last five years from $303 million to more than $821 million a year.

We don't have to accept these statistics as inevitable. If we can reduce on-the-job injuries by even 5%, employers will save millions of dollars. More importantly, 2100 fewer people will be hurt at work. That's why the Partners in Injury Reduction (PIR) Program makes such good sense.



By joining the program you can earn up to 20% off your industry insurance rate and make your work-place a safer environment. That's the real bottom line for employers who know that their greatest asset is the health and well-being of their employees.

For more information call (780) 498-3999 in Edmonton, (403) 517-6200 in Calgary, or toll free 310-0000. You can also visit our web site at www.wcb.ab.ca

Working together, we can reduce the devastating human cost of workplace injuries and bring claims and premium rates down.

Workers' Compensation Board – Alberta

Safety Pays!

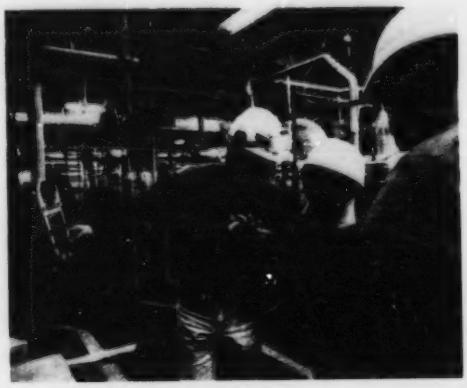
Must injury rates continue to rise?

No. By working together, we have the opportunity to reduce the magnitude of anticipated increases by creating safe workplaces. Many industries and employers have made great strides in prevention, yet a work-related injury is reported every four minutes. Clearly, we all need to do more.

Workplace safety saves lives, reduces injuries and even saves money if everyone gets involved in injury prevention. WCB and its partners offer programs such as Partners in Injury Reduction and other resources to assist employers and workers in making their workplaces safer.

Safety Pays! – *in premium reductions*

Last year employers spent a total of $394 million in premiums to compensate workers injured on the job. When we tally up the indirect costs (days off work, replacement workers' wages, training costs and overtime), the costs of injuries rise dramatically. Perhaps most drastic is the human cost, the impact on people and their families. But the good news is, more and more companies are placing a higher value on safety in the workplace.



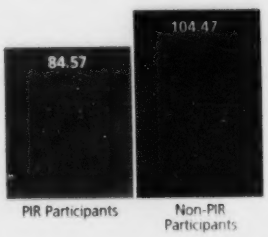
Recently, WCB revamped its incentive program and launched the new Partners in Injury Reduction (PIR) program geared to all employers in the province regardless of size or industry. The program encourages employers to develop effective work-site health and safety, and disability management programs.

PIR to refund $15 million to employers

There was a 46% increase in the number of companies volunteering to join the workplace safety program. In 2001, WCB will refund more than $15 million in premiums to more than 2,400 companies registered in the PIR program for safety performance improvements in 2000.

Ken Vertz, Partners in Injury Reduction program supervisor, notes, "The results really speak for themselves. Businesses participating in PIR have an average lost-time claim rate that is 19% lower than the provincial average lost-time claim rate for all industries."

Lost-time claims per one million dollars of premiums



More than 4,400 businesses registered in the PIR program in 2001. Because many of them are large companies, the program now covers workers in companies that represent about 39% of the total employers' insurable earnings.

One of the key reasons for the success of the PIR program was a marketing strategy that focused on employers whose claims showed they could benefit most from a workplace safety program.

"The PIR program creates an incentive for the employer to improve safety performance by providing workers with a safe and healthy workplace. In return, E-Can increases production and is able to offset costs associated with promoting injury prevention and disability management through premium reduction."
Rob Harms, Safety Coordinator, E-Can Oilfield Services

"AMTA has promoted and been involved with PIR since 1994, and we have trained and presented 526 Certificates of Recognition to employers. The program is receiving a lot of attention from our members because it has become the standard for several companies and municipalities that contract the trucking industry."
Lane Kranenburg, Executive Director, Alberta Motor Transport Association

For more information about the PIR program and how your company can join, call the WCB Customer Contact Centre at (780) 498-3999 in Edmonton or (403) 517-6200 in Calgary, or visit the WCB website at www.wcb.ab.ca.

Building safer workplaces
– *community partnerships*

WorkSafe™ award winners

No one can attest to the importance of workplace safety better than the winners of the annual WCB WorkSafe™ award (presented as part of the Alberta Chambers of Commerce Business Awards of Distinction). In 2000, Shell Canada Ltd. and Syncrude Canada Ltd. tied for top honours. The award recognizes excellence in injury prevention, innovative disability management programs, work-site employer training programs, employee wellness, and integrated staff health and safety initiatives developed for Alberta businesses.

Both of these award-winning organizations have extended their commitment to worker safety beyond the boundaries of their organization to include the safety of contractors. Shell ensures contractors meet their health, safety and environment standards, and a review of contractor performance is included on all bids. Syncrude offers symposiums to contractors on safety expectations and leadership, and serves as a loss management mentor to contractors. Both Shell and Syncrude have created an award that recognizes exceptional contractor safety.

WorkSafe™ is a registered trademark, used under license from WCB B.C.

Heads Up!
Workplace safety campaign talks to young workers

Young workers are one-third more likely to be injured on the job than workers older than 25.

This is just one of the statistics motivating the 2000 workplace safety campaign, Heads Up. Work smart. Work safe.

Although 15 to 24-year-old workers make up approximately 16% of the workforce, their claims represent approximately 25% of Alberta's workers' compensation claims. In 2000, the WCB spent more than $16 million on medical treatment, hospital stays, rehabilitation and wage replacement for young workers hurt in work-related incidents.

"By raising awareness about work-related injuries, we can reduce the emotional, physical and financial impact these injuries have on young workers, their employers and their community," says Guy Kerr, WCB Vice President of Customer Service and Disability Management.

The three-month television and print advertising campaign was created in partnership with the WCB - Alberta, the Alberta Construction Safety Association (ACSA), Manufacturers' Health and Safety Association, Alberta Human Resources and Employment, Petroleum Industry Training Service and the Alberta Municipal Health and Safety Association.

The television ads feature young men, including Edmonton Eskimo Val St. Germain and local construction worker Dave Ohori, who fit the target market for the Heads Up campaign.

To supplement the Heads Up campaign, the WCB developed two brochures highlighting the types of industries that are traditionally more hazardous to young workers, the types of injuries that occur in those industries and what young workers and employers can do to make their workplaces safer.

Day of Mourning

A time to remember. A time to recommit to workplace safety.

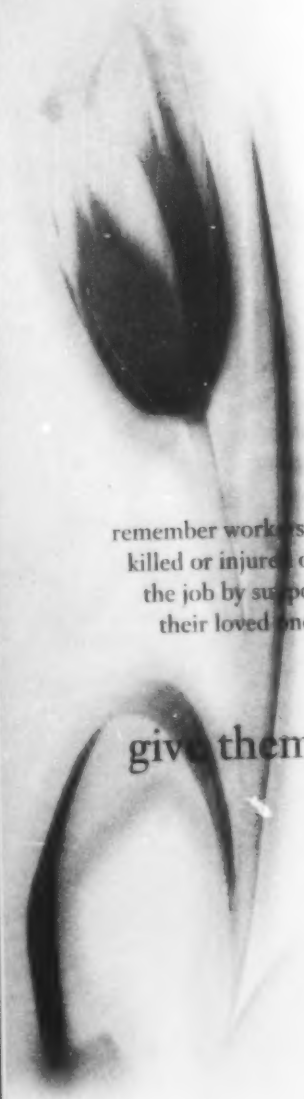
During 2000, the WCB accepted 118 claims for fatalities.

Grant Moellmann was just one example of such a tragedy. Just weeks before retirement in November 1994, Grant fell to his death while working on the bridge overpass near Edmonton's Skyreach Centre. His wife Angeline was left to carry on without her husband of 39 years, robbed of the time they still looked forward to sharing.

That same year, Joy Hewitt-Smith was also left to cope with the sudden loss of her husband, facing the responsibility of raising three children on her own. Neil Hewitt was killed instantly when his eighteen-wheeler rolled on the soft shoulder of a British Columbia roadway.

National Day of Mourning is an annual day to remember workers like Grant and Neil and to honour their families' loss. In recognition of this important day, the WCB, in partnership with workers, government, labour organizations, employers and the community, gathered at a special ceremony in Edmonton on April 28.

"Everyone expects their loved ones to come home at the end of the day. We all need to work together to make our workplaces safe so workers can return home alive and well," says Mary Cameron, WCB President and CEO. "When accidents do occur, well-developed and well-managed programs and services can lessen their impact on workers, their families and their employers."



remember workers killed or injured on the job by supporting their loved ones...

feel their sorrow
understand their anger
give them hope for a brighter tomorrow

"Prevention" key NAOSH message

WCB took its prevention message out to the community at the North American Occupational Safety & Health (NAOSH) Week Kick-Off.

NAOSH Week is an annual event held across North America to remind companies and employees of the importance of occupational health and safety programs. It encourages safety committees to take the lead in promoting health and safety initiatives.

"WCB's year-round prevention initiatives are an important part of our mandate."
Mary Cameron, President and CEO

Working safely behind the wheel

Alberta employers are realizing that traffic trauma is one of the leading causes of lost-time claims and related costs. In 2000, motor vehicle incidents accounted for more than $34 million in injury claims for the WCB. With 3,114 work-related motor vehicle injuries reported and 26 motor vehicle fatalities, road safety is a significant concern.

Sponsored in part by the Workers' Compensation Board, the Alberta Motor Association (AMA) launched MISSION POSSIBLE @ Work – the first workplace traffic safety program of its kind – in September 2000.

This program is designed to get people thinking about their own behaviour behind the wheel. It provides organizations with materials to help increase employee awareness about driving hazards and supplies tools to improve their driving behaviour.

Components of WCB's partnership with AMA include the production of the booklet Working Safely Behind the Wheel and the distribution of MISSION POSSIBLE @ Work employee training modules to targeted Alberta employers.

"This is a powerful tool we can offer our employers that may help reduce their workplace injuries and associated costs," says Arlene Lofstrand, WCB Community Investment Advisor. "We believe this program will have a measurable impact on the number of traffic injuries and deaths in Alberta."

In the spring of 2000, ECL Group of Companies Ltd. became one of the first WCB employers to pilot the program.

"I was immediately drawn to this program because of the course content and ease of delivery," says Gail Sharko, Manager, ECL Compliance and Safety. "The sessions are short and very direct. Combined with the support material and employee interaction, it makes a lasting impact."

ECL drivers log more than 34 million kilometres annually. "Highway safety, and putting our employees first, is a part of our core culture," adds Sharko.

WCB is committed to our partnership with AMA and MISSION POSSIBLE @ Work. Our own Staff Health and Safety committee believes employee driver education is important to keeping employees healthy and safe, and will be incorporating MISSION POSSIBLE @ Work into our existing driving program in 2001.

"I was immediately drawn to this program because of the course content and ease of delivery. The sessions are short and very direct. Combined with the support material and employee interaction, it makes a lasting impact." Gail Sharko, Manager, ECL Compliance and Safety

Innovation

Keeps Albertans Working

Improving how we connect with our customers

WCB Customer Connect team at an on-site visit with Aluma Systems at the TransAlta Keephills Plant
Left to right: Angie Cook, WCB Account Manager; Lynn Allen, WCB Case Manager; Mark Rabin, Site Foreman, Aluma Systems; Holly Clarke, WCB Adjudicator; Mark Lindenbach, Project Safety Coordinator, Aluma Systems

Customer Connect, our new way of organizing service delivery, is founded on the belief that the more we know about employers and industries, the better we can address the needs of injured workers and their employers.

By creating integrated teams of staff with expertise in the types of cases they handle, we are able to make better decisions on claims. We can also be more consistent in case-management procedures and better understand specific work environments – including key factors relevant to a case. These case-management advantages further our primary goal of getting injured workers back to their pre-accident employment.

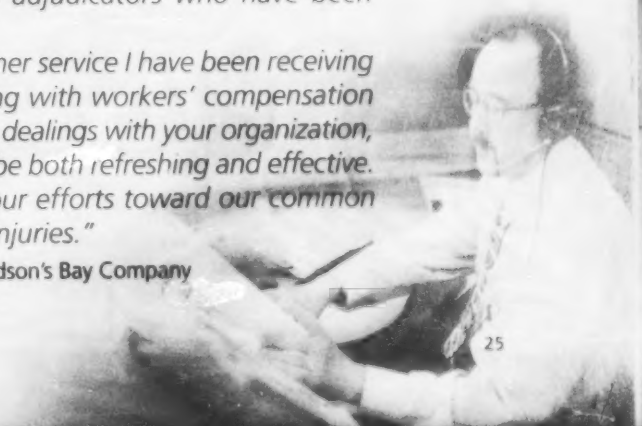
Teams include case managers, case assistants, adjudicators, account managers, medical advisors and clinical assistants. "We have had very positive feedback from our staff about working as a team to address the needs of a shared customer. Roles are better understood and it creates an accountability to both our customer and our teammates," says Dirk Smith, WCB Director of Program Development and Risk Management.

Customer Connect allows the teams to work closely with injured workers and their employers in developing return-to-work plans. "The team gets to know their clients and the industry they work in," says Smith. "Under the Customer Connect model, team members visit their client's work site to discuss, for example, modified work options with the worker and the employer." These site visits also give the account managers a chance to talk to the employers about joining safety incentive programs like the Partners in Injury Reduction (PIR) program.

"The purpose of my visit (to WCB) was to seek assistance with several WCB-related issues that our company is currently addressing. During the course of the meeting I was introduced to the case managers and adjudicators who have been assigned to my accounts.

"I'm very impressed with the level of customer service I have been receiving from your team. In my position I am interacting with workers' compensation administrations in all ten provinces. In my recent dealings with your organization, I have found your Customer Connect model to be both refreshing and effective. I look forward to a continued partnership in our efforts toward our common mission of reducing the impact of workplace injuries."

Brian Cassidy, Manager, Occupational Health & Safety, Hudson's Bay Company



Products and services for a safer Alberta

We furthered our vision of keeping Albertans safe by helping thousands of employers in exempt industries obtain WCB insurance coverage, thereby reducing the impact of their work-related injuries and illnesses.

Promoting Personal Coverage to new customers was a key focus. By November 2000, 78% of new WCB customers chose to include Personal Coverage as part of their insurance package – 12% higher than in 1999.

"We're really pleased with those results," says Nan-Marie Kersey, Project Manager. "We're covering more companies in exempt industries and have increased the number of our Personal Coverage clients. The most rewarding aspect of our marketing is that we've helped an additional 16,000 Albertans and their families feel secure."

"Another driving force for the products and services team in 2000 was to look at all the related aspects of our customer service," comments Dieter Brunsch, Vice President, Customer Service and Risk Management. "Improvements were made in the process for establishing accounts, in letters to customers and in our advertising and promotional materials. Innovative ways were used to bring flexibility into some of our products."

The team approach was used to market Personal Coverage to existing account holders. Account managers, auditors and frontline customer service staff were all involved.

Trucking was the first target industry for Personal Coverage promotion in 2000. Research showed most trucking business owners purchase the minimum level of Personal Coverage, leaving them under-insured when injured (at the minimum coverage, their wage loss replacement would be about half their salary). This key message for trucking business owners was captured in the brochure headline: ***"Your truck isn't insured for half its value; then why should you be?"*** WCB involved the Alberta Trucking Safety Associations in the development of other key messages and in determining ways to reach the 11,260 trucking businesses in the province.

Groundwork in 1999 paved the way for marketing efforts to exempt industries in 2000. In the agriculture field, WCB developed solid partnerships with Alberta Agriculture and many other key players, including industry associations and organizations involved with farm safety.

"My employees are important to me. If one of them was injured while working on my farm, I would want to help them but could I afford it? If I was found liable could my business afford to pay the claim? WCB provides my business with cost-effective liability and disability coverage. Personal Coverage also protects me as the business owner." Vern Crawford, Western Poultry, Three Hills

WCB also focused on the dental industry in 2000 because of rising concerns regarding the impact of illness on office staff. "The Alberta Dental Association has been working with the WCB to provide information to our dentist members regarding WCB coverage for their employees and themselves. With the risks associated with workplace exposure to HIV and hepatitis, it is important to have risk management solutions available for our members," says Dr. Diane Rebryna, Chair, Infection Control Committee of the Alberta Dental Association.

Millard Centre's reputation grows

Peter Nagel of Victorian WorkCover Authority, Australia, visits the Millard Centre

The Alberta Workers' Compensation Board first opened its Rehabilitation Centre in 1952 to provide highly specialized assessment and treatment services for injured workers. Today, the Millard Centre is widely recognized as a centre of excellence among North American occupational rehabilitation providers.

The Millard Centre has a long history of health care research and development that has included the introduction of innovative services, as well as the development of evidence-based disability management tools. In 2000, Millard and WCB experts worked together on a care model for the management of mild traumatic brain injury, which will be piloted in 2001. The Millard Centre continues to introduce new products to address service needs and to better serve injured workers and employers. For example, Millard Ability Management Services consults with employers on how to manage workplace disability with a strong focus on prevention.

Increased awareness of the Millard Centre's services and its growing reputation has prompted representatives from organizations as far away as Australia and Argentina to visit the facility. Several organizations have also contracted with Millard Centre consultants to provide expert assistance in health care management and program development.

The Millard Centre offers a full range of rehabilitation and disability management services.

- Prevention and Work Site Services are designed to prevent the occurrence and reoccurence of injuries by focusing on intervention at the work site.
- Assessment Services offer a variety of medical and functional assessments to determine an individual's status and potential need for rehabilitation.
- Medical Services arrange for timely coordination and delivery of medical and clinical intervention.
- Interdisciplinary Rehabilitation Services bring together the expertise of a variety of clinical disciplines in customizing services to meet individual client requirements.
- Complex Psychosocial Services are designed to assist in the management of more complex clinical issues and the psychological impacts they impose.
- Return-to-Work Services offer a broad range of vocational products to assist individuals in making a successful return to the workforce.
- Disability Management Consulting provides assistance to employers in developing work-site-based programs.
- Health Care Consulting offers the expertise of Millard Centre staff to other organizations in the areas of health care management and program development.

During 2000, the Millard Centre assessed 5,114 clients, which represents an incr[illegible] 15% over 1999. More than 2000 clients completed programs at the Centre with m[illegible] than 95% of clients discharged from the occupational rehabilitation programs as fit to w[illegible]

To support our mandate of protecting both employers and workers against the impact of work injuries, the WCB contracts with more than 18,000 health care and rehabilitation providers across the province.

Working with health care providers

In May 2000, the WCB signed an agreement with the Alberta Medical Association (AMA), which came into effect June 1, 2000. This agreement includes the introduction of a fee schedule that recognizes the unique services required by WCB claimants as well as a return to a direct-billing relationship between the WCB and Alberta physicians. The agreement with the AMA also includes a commitment to examine electronic solutions for billing and communication between the medical community and the WCB.

The AMA and the WCB now have a joint advisory committee that serves as a forum for regular discussion of issues and concerns. The committee will help to strengthen the collaborative working relationship between the two organizations.

Accreditation focuses on customer service

Providing superior health care to injured workers was the driving principle behind the introduction of an accreditation process for WCB-authorized physical therapists and chiropractors.

The WCB collaborated with the Commission on the Accreditation of Rehabilitation Facilities (CARF) to customize accreditation standards for Alberta providers. CARF accreditation focuses on business practices and quality outcomes for clients.

"It's a win-win situation," says Dr. Sally Nikolaj, General Manager of the Millard Centre. "The service providers have the potential to be more successful by improving their business practices, and the WCB has added assurance that service standards are being met."

Physical therapists and chiropractors that committed to the accreditation process during 2000 had the opportunity to have 60% of the survey costs co-funded by the WCB. By the end of the year, 143 clinics across Alberta had applied for CARF accreditation.

Medical Services adopts fee-for-service arrangement

In 2000 WCB piloted a fee-for-service arrangement with physicians who provide advisory services on individual claims. This arrangement supports our stakeholders' request for a more arm's-length relationship with doctors providing medical advice and is similar to the relationship that physicians have with the Alberta Health Care Insurance Plan. Medical consultants, under fee-for-service contracts, now provide services to the WCB.

The Medical Services Department maintains a role in ensuring the administration and quality of consultant services. It also supports the research and development activities of the WCB and manages medical inquiries of treating physicians. In 2000, this department initiated 1,793 calls to community physicians and completed 74,647 requests for medical advice and services.

New appeal numbers down and efficiency up

The Claims Services Review Committee (CSRC) provides a quick and efficient mechanism for dealing with claim appeals. Workers or employers dissatisfied with an adjudicative decision may ask the CSRC to review that decision. There is a further appeal from the CSRC to the Appeals Commission.

Despite an 18.5% increase in the number of new claims reported in 2000, the number of new appeals to the CSRC actually decreased by 3%. The number of CSRC decisions appealed to the Appeals Commission also decreased by 2%. Overall, the CSRC handled over two-thirds of all appeal issues without further appeal to the Appeals Commission.

The CSRC also demonstrated improved efficiency in 2000. While increasing the number of in-person hearings and improving cycle time, the CSRC lowered its per-decision administrative cost.

	2000	1999
New appeals filed with CSRC	**3,706**	3,820
In-person hearings	**70%**	66%
Decisions issued within 90 days of receipt	**67%**	64%
Decisions appealed to Appeals Commission	**1,112**	1,137
Administrative cost per appeal	**$480**	$560

Special Investigations Unit protects accident fund

The Special Investigations Unit (SIU) is responsible for protecting the Accident Fund from fraud and misappropriation by workers, employers or service providers.

A complaint or allegation, whether from an internal or external source, initiates an investigation. Investigation often proves there is no basis for the allegation. In other cases, investigation may result in a benefit adjustment. The most serious cases result in criminal charges. In 2000, the SIU conducted 491 investigations. Of the charges laid, more than 90% resulted in convictions. The sentences handed down included jail, fines, probation and restitution.

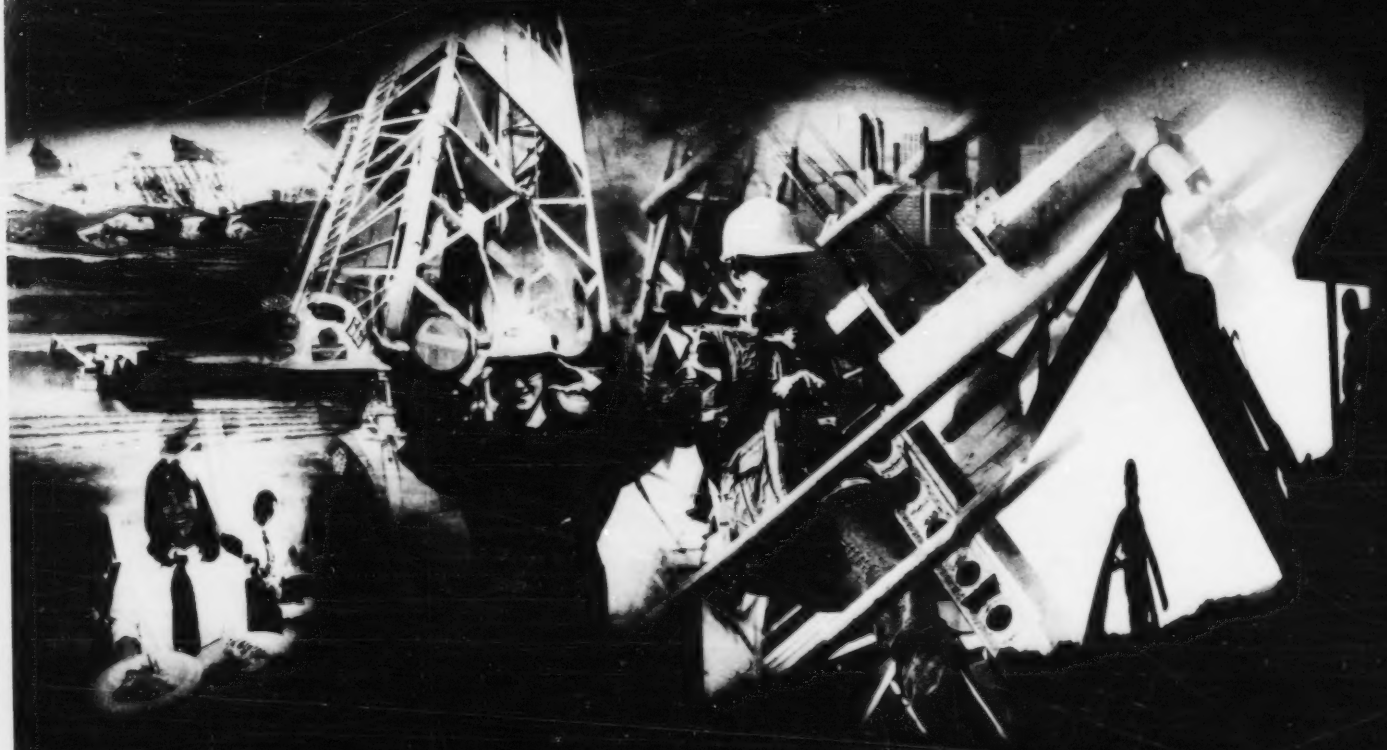
The WCB's SIU is widely known for its law-enforcement expertise. During 2000, SIU members delivered educational courses and presentations to industry and labour groups, the medical profession and other law enforcement agencies, including the RCMP. Topics included fraud investigation, interviewing techniques and the use of technology in crime detection.

Our Vision for Albertans

Albertans working—a safe, healthy and strong Alberta.

Mission

The WCB - Alberta, working together with our partners, will significantly and measurably reduce the impact of workplace illness and injury on Albertans.



WCB's Corporate Objectives

Achieve high customer satisfaction

The WCB sees itself as a key player in keeping Albertans working. We believe that a focus on accident prevention will lead to safer workplaces where fewer illnesses and injuries occur. When they do occur, we believe timely and effective health care and vocational services will help injured workers return to work and their desired quality of life. Workers benefit from safer, healthier workplaces. Employers benefit from increased productivity and lower costs. While enhancing the employer's financial stability, this also contributes to a strong overall economy.

To ensure we stay on track to serve our customers' needs, we use an independent researcher to survey both workers' and employers' satisfaction levels each quarter. In 2000, WCB talked to 5,000 customers about their overall satisfaction with our services. The results were encouraging: 77.3% of workers and 86.7% of employers said they were satisfied or very satisfied with our service.

We are proud of these results, but know we have to do more. Long-term claimants, whose claims go beyond 56 days, have only a 60% overall satisfaction rate. We will continue to work with this group to increase their satisfaction by focusing on an early and safe return to work.

Other important components we have implemented to improve our customers' satisfaction are Customer Connect and the Customer Contact Centre. Customer Connect, our new way of organizing service delivery, creates integrated WCB teams with expertise in the types of cases they handle, enabling us to make better decisions on claims. In 2000, the Customer Contact Centre was formed by combining call centre staff who used to work on either the employer or worker side of our business into one unit. This centralization and additional customer service training have enhanced service and increased first-call resolution.

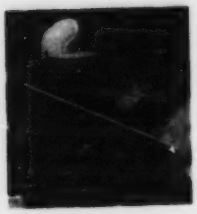
Worker Satisfaction

Employer Satisfaction

In 2000, the WCB - Alberta covered 96,194 employers and 1,214,886 workers and administered 200,607 claims.

Manage superior health care and vocational outcomes

The right treatment at the right time will lead to the earliest and safest return to work for every worker, supporting a productive workplace and a healthy economy. It also leads to the earliest and safest return to desired quality of life.



In 2000, 87.2% of workers returned to employment at claim closure. This return-to-work rate is a product of the partnership between the employer, the injured worker and the WCB. It is also a testament to the value of the health care strategies and care models the WCB has researched and introduced over the years.

Return to Work Percentage 1996–2000

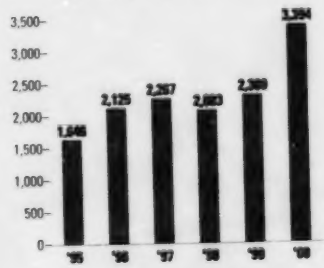
	1996	1997	1998	1999	**2000**
Return to accident employer	82.9%	81.7%	81.2%	81.5%	**82.2%**
Return to other employment	4.6%	5.2%	4.8%	4.8%	**5.0%**
Total return to work	87.5%	86.9%	86.0%	86.3%	**87.2%**

Provide product, service and price solutions

We want to enable employers to create safer workplaces that make a difference to the bottom line. Therefore, we are offering a broader range of loss control, risk financing and disability management products, as well as service and price solutions for existing and new customers. The innovations in this area benefit all employers, regardless of their size. For example, we have introduced custom-pricing agreements for very large employers and economical Personal Coverage options for single proprietors.

Our greatest focus has been on our Partners in Injury Reduction program. This program gives employers the opportunity to earn rate reductions by building safe workplaces with their employees. Employers in the program today will receive premium rate rebates exceeding $15 million for their efforts in 2000.

Partners in Injury Reduction (PIR) participants

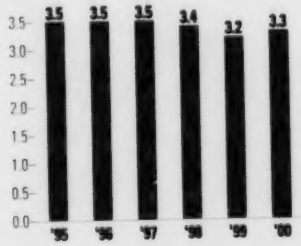


Become a centre of excellence in risk management

In 2000, the number of injuries in Alberta rose dramatically. This is not just an indication of an expanding population, but an indication of unfavourable trends. In the second quarter of 2000, the rate at which people were hurt on the job rose to 3.5 out of 100 workers. The increased number of claims, and increased severity of those claims, is driving rates up. In 2000, the average number of days an injured worker was on a claim rose from 50 to 55 days.

Researching and developing best practices in accident prevention, risk financing and disability management, and working with our partners to apply these practices, will reduce the individual, societal and economic impact of workplace disability in Alberta.

Lost-time claim rate



Looking forward

We know that to reduce the impact of workplace illness and injury we need to pursue several goals:

- to commit to fairness,
- to focus on return to work,
- to leverage prevention opportunities, and
- to ensure the organization's financial stability.

Pursuing these goals will support our vision of *Albertans working—a safe, healthy and strong Alberta* for 2001 and the years to come.

WCB - Alberta

2000 Financial Statements

Management commentary on the financial statements for 2000

Results of Operations

The overall result is an operating deficit of $52.4 million[1] brought about primarily by claim experience offset in part by increased investment revenue.

In accordance with the revised Funding Policy, the Rate and Benefit Stabilization Reserve has been closed out and the funds transferred to the Fund Balance. The Occupational Disease Reserve was increased by $86.3 million consistent with the revised Funding Policy. The Fund balance at December 31, 2000 is $376.7 million.

The average actual premium rate collected was considerably below the average premium rate required to meet the cost of current year injuries[2] as a result of the investment gains.

Investment Activities

Investments held to meet future benefit obligations for past injuries reached $4,116.7 million, an increase of 7.6%. The capital market in 2000 was quite weak, resulting in a market return of 5.0% for 2000 compared to 14.7% for the previous year.

Claim Benefit Liabilities

Estimated claim benefit liabilities of the corporation increased to $3,226.4 million, an increase of 7.5%. Note 9 to the financial statements provides a reconciliation of the changes to the claim benefit liabilities. There were no material changes in 2000 to the actuarial assumptions or methodology other than as identified in the Actuarial Certificate and Notes 1 and 9.

[1] The operating deficit of $52.4 million can be attributed to the following:

Net investment revenue gain over liability requirements and investment revenue on the fund balance and reserves	$ 241.1 million
Shortfall in premium revenue as a result of actual premium rate ($1.12) being lower than the required premium rate ($1.74) on $34.9 billion in insurable earnings	(217.6 million)
Actuarial adjustments	(74.7 million)
Other items	(1.2 million)
Total	$ (52.4 million)

[2] Average Actual Compared to Average Required Premium Rates

Per $100 Insurable Earnings

Year	Average Actual Premium Rate	Average Rate Required for Full Funding	Difference
2000	1.12	1.74	(0.62)
1999	1.06	1.64	(0.58)
1998	1.35	1.47	(0.12)
1997	1.50	1.50	(0.00)
1996	1.50	1.49	0.01
Average	1.31	1.57	(0.26)

Responsibility for financial reporting

The financial statements of the Workers' Compensation Board were prepared by management, which is responsible for the integrity and fairness of the data presented, including significant accounting judgements and estimates. This responsibility includes selecting appropriate accounting principles consistent with generally accepted accounting principles in Canada.

In discharging its responsibility for the integrity and fairness of the financial statements, management maintains the necessary internal controls designed to provide reasonable assurance that relevant and reliable financial information is produced and that assets are properly safeguarded.

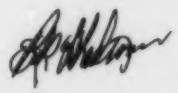
The WCB's actuarial staff performs an annual actuarial valuation of the claim benefit liabilities included in the financial statements of the WCB.

The Board of Directors is responsible for overseeing management in the performance of financial reporting responsibilities and has approved the financial statements included in the Annual Report.

The Board of Directors is assisted in its responsibilities by its Audit Committee. This committee reviews and recommends approval of the financial statements and meets periodically with management, external auditors and actuaries concerning internal controls and all other matters relating to financial reporting.

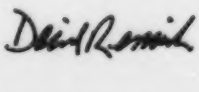
Watson Wyatt has been appointed as the independent consulting actuary to the WCB. Their role is to complete an independent review of the annual actuarial valuation of the claim benefit liabilities included in the financial statements of the WCB and to report thereon in accordance with generally accepted actuarial principles.

KPMG, the independent auditor of the WCB, has performed an audit of the financial statements of the WCB in accordance with generally accepted Canadian auditing standards. The Auditors' Report outlines the scope of this independent audit and the opinion expressed.



Rick LeLacheur
Chairman,
Board of Directors

Mary J. Cameron
President and
Chief Executive Officer



David Renwick
Vice President and Chief
Financial Officer

Actuary's report to the Board of Directors of the Workers' Compensation Board - Alberta

We have made an independent review of the actuarial valuation of the liabilities for future benefits payable under the Workers' Compensation Act - Alberta as at December 31, 2000 in respect of accidents which have occurred up to that date.

The actuarial valuation has been performed by the Board's actuarial staff and a comprehensive actuarial report has been prepared and provided to the Board. A summary of the net discount rates used in the actuarial valuation is referred to in the notes to the financial statements.

The Board's auditors have made an independent review of the financial data used in the actuarial valuation. We have reviewed the data used for the valuation and have made tests of reasonableness and of consistency with the data used in prior years. In our opinion the data is sufficient and reliable for the purposes of this valuation.

The actuarial valuation of these liabilities in the amount of $3,226,400,000 represents the actuarial present value at December 31, 2000 of all future short-term disability benefits, long-term disability benefits, survivor benefits, health care payments and rehabilitation payments and expenses of administration which are expected to be made in future years and which relate to claims occurring on or before December 31, 2000. The actuarial valuation does not include benefits or payments that are on a self-insured basis.

The valuation was based on the Workers' Compensation Act in effect as of December 31, 2000 as administered by the Board, and on the current practices and administration procedures of the Workers' Compensation Board and historical claims experience. The disability benefits in respect of accidents in 1995 and subsequent years are different from those applicable to accidents incurred up to December 31, 1994. For valuation purposes the actuarial valuation in respect of accidents after December 31, 1994 has been made on the same actuarial assumptions, methods and benefit levels as are used for accidents incurred up to December 31, 1994.

The actuarial assumptions and methods used are based on the Board's best estimates and take into account current benefits, expenditures and practices, and assume that the Board is a continuing entity underwriting all occupational injuries and diseases in the covered workforce in Alberta.

There are no material changes in actuarial methods and assumptions since the prior valuation.

In our opinion, for the purpose of the valuation, the actuarial assumptions are appropriate and the methods employed are consistent with sound actuarial principles. The valuation report has been prepared, and our opinions have been given, in accordance with accepted actuarial practice.

WATSON WYATT & COMPANY

L. N. Taylor

Leslie N. Taylor, F.I.A., F.C.I.A.
Fellow, Canadian Institute of Actuaries

Nancy A. Yake

Nancy A. Yake, F.S.A., F.C.I.A.
Fellow, Canadian Institute of Actuaries

Auditors' report to the Board of Directors of the Workers' Compensation Board - Alberta and to the Auditor General of the Province of Alberta

We have audited the balance sheet of Workers' Compensation Board - Alberta (the Board) as at December 31, 2000 and the statement of operations, statement of reserves and fund balance and statement of cash flows for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at December 31, 2000 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants

Edmonton, Canada
March 8, 2001

Balance Sheet
As at December 31, 2000
(thousands of dollars)

	2000	1999
ASSETS		
Cash	$ 80,423	$ 146,614
Receivables (Note 3)	44,096	22,193
Investments (Note 4)	4,116,677	3,827,241
Capital assets (Note 6)	47,676	33,961
	$ 4,288,872	$ 4,030,009
LIABILITIES		
Payables and accruals (Note 7)	$ 47,667	$ 35,317
Deferred revenue (Note 8)	416,567	342,318
Claim benefit liabilities (Note 9)	3,226,400	3,000,800
Provincial pension plans (Note 10)	-	963
	3,690,634	3,379,398
RESERVES AND FUND BALANCE		
Rate and benefit stabilization reserve	-	156,600
Occupational disease reserve	221,500	135,200
Fund balance	376,738	358,811
	$ 4,288,872	$ 4,030,009

Commitments (Note 18)

The accompanying notes and schedules are an integral part of the financial statements.

On behalf of the Board of Directors:

Rick LeLacheur
Chairman,
Board of Directors

Mary J. Cameron
President and
Chief Executive Officer

Statement of operations
for the year ended December 31, 2000
(thousands of dollars)

	2000 Budget	2000 Actual	1999 Actual
REVENUE			
Premiums	$ 398,100	$ 393,771	$ 354,301
Investment (Note 11)	360,000	428,808	415,434
Other (Note 12)	5,500	2,795	1,660
	763,600	825,374	771,395
EXPENDITURE			
Claim costs (Note 9)	674,100	801,294	821,335
Administration (Note 14)	63,800	61,727	63,700
Injury reduction (Note 16)	9,800	10,029	12,218
Appeals Commission (Note 17)	4,700	4,697	4,300
	752,400	877,747	901,553
OPERATING SURPLUS (DEFICIT)	$ 11,200	$ (52,373)	$ (130,158)

Statement of reserves and fund balance
for the year ended December 31, 2000
(thousands of dollars)

	2000	1999
RATE AND BENEFIT STABILIZATION RESERVE		
Balance at beginning of year	$ 156,600	$ 211,700
Transfer to Fund Balance	(156,600)	(55,100)
BALANCE AT END OF YEAR	$ -	$ 156,600
OCCUPATIONAL DISEASE RESERVE		
Balance at beginning of year	$ 135,200	$ 121,000
Transfer from Fund Balance	86,300	14,200
BALANCE AT END OF YEAR	$ 221,500	$ 135,200
FUND BALANCE		
Balance at beginning of year	$ 358,811	$ 448,069
Operating Surplus (Deficit)	(52,373)	(130,158)
Transfers from Reserves	70,300	40,900
BALANCE AT END OF YEAR	$ 376,738	$ 358,811

The accompanying notes and schedules are an integral part of the financial statements.

Statement of cash flows
for the year ended December 31, 2000
(thousands of dollars)

	2000 Budget	2000 Actual	1999 Actual
CASH FLOW FROM OPERATING ACTIVITIES			
Cash received from:			
Employers	$ 397,700	$ 373,545	$ 343,554
Dividends and interest	117,000	162,628	108,589
Other income	6,500	1,906	1,926
	521,200	538,079	454,069
Cash paid to:			
Claimants, or third parties on claimants' behalf	438,100	494,624	396,770
Employees and suppliers, for administrative and other goods and services	137,500	125,880	121,102
Injury reduction	12,400	12,487	12,236
	588,000	632,991	530,108
Net cash provided from (used for) operating activities	(66,800)	(94,912)	(76,039)
CASH FLOW FROM INVESTING ACTIVITIES			
Cash received from:			
Sale and maturity of investments	525,000	683,127	415,680
Cash paid for:			
Purchase of investments	424,200	632,134	278,283
Purchase of capital assets, net	34,000	22,272	16,208
	458,200	654,406	294,491
Net cash provided from (used for) investing activities	66,800	28,721	121,189
NET INCREASE (DECREASE) IN CASH	-	(66,191)	45,150
Cash at beginning of year	110,000	146,614	101,464
CASH AT END OF YEAR	$ 110,000	$ 80,423	$ 146,614

The accompanying notes and schedules are an integral part of the financial statements.

Notes to the financial statements
December 31, 2000
(thousands of dollars)

1. GENERAL

Legislative Authority
The Workers' Compensation Board (WCB) operates under the authority of the Workers' Compensation Act, Statutes of Alberta 1981, Chapter W-16, as amended.

Vision and Mission
The Vision of the WCB is "Albertans working - a safe, healthy and strong Alberta."

The Mission of the WCB is "The WCB - Alberta, working together with our partners, will significantly and measurably reduce the impact of workplace illness and injury on Albertans."

Funding Policy
Consistent with Section 85 of the Workers' Compensation Act, the Board of Directors established a funding policy to ensure, for the benefit of its stakeholders, the WCB remains financially stable and secure into the future. To this end the Rate and Benefit Stabilization Reserve was created. Its purpose was to provide for the costs that may arise from extraordinary events which may otherwise unfairly burden employers in the short term, jeopardize benefits to injured workers or prevent full funding. An Occupational Disease Reserve was created to provide for the costs that may arise from latent occupational diseases where a causal link to the workplace has not yet been established but may be established in the future. The funding policy also stipulates a Fund Balance to recognize the degree of uncertainty in the business of workers' compensation. Effective August 1, 2000, the Board of Directors approved the revision to the Funding Policy to combine the Rate and Benefit Stabilization Reserve into the Fund Balance and to increase the Occupational Disease Reserve. This revision did not impact the previously approved overall funding level.

Claim Benefit Liabilities
Claim benefit liabilities are independently reviewed by an external actuary as at December 31, 2000 and represent the actuarial present value of all future benefit payments expected to be made for claims which have occurred in respect of current and prior years' injuries.

These benefits are expressed in constant dollars discounted at 4.0% per annum, being the difference between expected investment earnings and expected increases in benefit payments, except for non-wage related temporary disability payments which are discounted at 3.5%, rehabilitation and claim administration costs which are discounted at 2.5% (3.5% in 1999) and health care costs which are ultimately discounted at 0.5% to reflect expected higher increases in health care costs and utilization.

The claim benefit liabilities include provision for all benefits provided by current legislation, policies and administrative practices. No provision has been made for claims related to known latent occupational diseases where the claim has not yet been reported and the year of disablement would be in a subsequent period.

The actuarial liabilities of the WCB are of a long-term nature and therefore the actuarial assumptions and methods used to calculate the reported actuarial liabilities at December 31, 2000 are based on considerations of future expenditures over the long term. It is reasonably possible that changes in future conditions within one year of the financial statement date could require a change in the recognized amounts.

2. SIGNIFICANT ACCOUNTING POLICIES

General
These financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

Cash
Cash and cash equivalents are funds consisting of cash and money market instruments with maturities up to 3 months.

Cash and short-term investments held in the investment portfolio for trading purposes are excluded from cash and cash equivalents reported on the balance sheet.

Investments
Fixed-term investments are stated at amortized cost. Gains and losses realized on disposal of fixed-term investments are deferred and amortized on the straight-line basis over a period which approximates the average remaining term to maturity of the fixed-term investments sold. Equity and real estate investments are stated at moving average market value. Gains and losses realized on disposal of equity and real estate investments together with unrealized gains and losses occurring during the year are deferred and amortized on the straight-line basis over five years.

Derivative Financial Instruments
Derivative financial instruments are financial contracts whose price is dependent on the price of one or more underlying securities, reference rates or indices. Derivative products include interest rate swaps, equity and bond index swaps, forward foreign exchange contracts, and cross-currency interest rate swaps. These products are traded by the WCB for income enhancement and can be used to hedge interest rate and foreign currency exposures. Interest rate swap and forward foreign exchange contract notional amounts are not recognized in the financial statements. Index swaps are recorded at moving average market value or amortized cost based on the nature of the index used. Cross-currency interest rate swaps are recorded at amortized cost.

Interest rate swaps are transactions in which two parties exchange interest rates on a specified notional amount for a predetermined period. Interest income is recognized in the year.

Equity and bond index swaps are agreements to exchange cash flows based on the return of a specified equity or bond index. Income is recognized in the year.

Forward foreign exchange contracts represent commitments to exchange two currencies at a specified future date based on a rate agreed to by both parties at the inception of the contract. Foreign exchange gains and losses are recognized in the year as income.

Cross-currency interest rate swaps exchange fixed for floating interest rates, or one fixed currency for another fixed currency interest rate, and exchange the foreign currency for Canadian currency.

Fair Value
The carrying value of cash, receivables and payables and accruals approximate their fair value due to the relatively short periods to maturity of the instruments. The fair value of investments is market value. The market value of publicly traded investments is based on quoted market prices. The market value of privately held debt, equity and real estate investments is based on discounted future cash flows or independent appraisals. The market or replacement value of swaps and options is determined by the net unrealized gains or losses, accrued interest receivable or payable and premiums paid or received. The market value of cross-currency interest rate swaps includes both the market value of the underlying bond and the market value of the swap.

Foreign Currency Translation
Assets and liabilities, with the exception of investments, denominated in foreign currency are translated into Canadian dollars at the exchange rate in effect at the balance sheet date. The foreign currency exchange gains and losses for investments are recorded in the same manner as other investment gains and losses.

Use of Accounting Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires the WCB's management to make estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting periods presented. Actual results could differ from the estimates made by management. Claim benefit liabilities, reserve for occupational disease and accrued premiums are the most significant items which reflect estimates in these financial statements.

Capital Assets

Capital assets are reported at cost and are amortized over their estimated useful lives. Amortization is provided using the following methods and annual rates:

Buildings	2 1/2% straight-line
Equipment - computer	35% diminishing balance
- furniture and other	15% diminishing balance
- vehicles	20% straight-line
Computer software	20% straight-line

3. RECEIVABLES (thousands of dollars)

	2000	1999
Premiums	$ 21,578	$ 5,647
Accrued Premiums	16,968	12,673
Other	5,550	3,873
	$ 44,096	$ 22,193

4. INVESTMENTS (thousands of dollars)

	2000		1999	
	Book Value	Market Value	Book Value	Market Value
Cash	$ 29,589	$ 30,855	$ 14,331	$ 14,331
Fixed Term:				
Short Term	70,191	70,109	51,688	52,004
Long Term	1,731,203	1,822,027	1,534,370	1,549,264
	1,801,394	1,892,136	1,586,058	1,601,268
Real estate	122,054	128,733	112,868	121,691
Equities:				
Domestic	787,113	828,923	891,234	973,147
Foreign	1,376,527	1,419,431	1,222,750	1,586,109
	2,163,640	2,248,354	2,113,984	2,559,256
	$ 4,116,677	$ 4,300,078	$ 3,827,241	$ 4,296,546

5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT ACTIVITIES (thousands of dollars)

Derivative Financial Instruments

	2000		1999	
	Notional Amount	Replacement Value	Notional Amount	Replacement Value
Interest rate swaps	$ 73,741	$ (1,632)	$ 94,237	$ (1,613)
Forward foreign exchange contracts	87,384	1,274	31,061	29
Equity index swaps	175,735	(4,544)	302,525	18,142
Bond index swaps	120,713	746	223,071	(1,485)
	457,573	(4,156)	650,894	15,073
Par value of cross-currency interest rate swaps	230,046	-	266,326	-
	$ 687,619	$ (4,156)	$ 917,220	$ 15,073

As at December 31, 2000, the market value of the cross-currency interest rate swaps and the underlying bonds is $231,976 (1999: $264,498).

	Remaining term to Maturity					
Notional Principal	Within 1 Year	Over 1 To 3 Years	Over 3 To 5 Years	Over 5 Years	Total 2000	Total 1999
Interest rate swaps	$ 30,284	$ 32,022	$ 9,808	$ 1,627	$ 73,741	$ 94,237
Forward foreign exchange contracts	87,384	-	-	-	87,384	31,061
Equity index swaps	175,735	-	-	-	175,735	302,525
Bond index swaps	103,578	17,135	-	-	120,713	223,071
Cross-currency interest rate swaps	1,125	116,043	34,476	78,402	230,046	266,326
	$ 398,106	$ 165,200	$ 44,284	$ 80,029	$ 687,619	$ 917,220

Notional principal amounts are the basis upon which payments are made and are not indicative of the credit exposure with derivative products. On the other hand, as described in Note 2, the replacement value is determined by the net unrealized gains or losses, accrued interest receivable or payable and premiums paid or received. If the counterparty to the derivative fails to discharge their obligation, then the replacement value is the credit exposure of the WCB.

Credit Risk Management

Credit exposure on financial instruments arises from the possibility that a counterparty to an instrument fails to perform. Counterparties for derivative contracts will have at least an AA credit rating. The issuer for fixed-term investments will have at least a BBB credit rating. Specific rules have been established to ensure the credit rating of a counterparty does not fall below a threshold deemed acceptable by the WCB. The WCB does not anticipate that any counterparties will fail to meet their obligations.

The WCB invests in publicly and privately traded shares and bonds available on domestic and foreign exchanges. These shares and bonds are affected by market changes and fluctuations. The WCB does not use derivative financial instruments to alter the effects of these market changes and fluctuations.

The WCB may lend any of its investments to third parties provided the loans are secured by cash or readily marketable securities having a market value of 105% of the loan. As of December 31, 2000 secured loans amounted to $243,393 ($239,754 in 1999).

Foreign Exchange Risk Management

The WCB has certain obligations and investments denominated in foreign currencies. The WCB does not undertake long-term hedging strategies for the currency risk of foreign investments. The WCB undertakes long-term investment strategies; however, currency fluctuations may affect short-term returns. These fluctuations are not expected to affect the long-term position of the investment portfolio. As of December 31, 2000 forward foreign exchange contracts amounted to $87,400 ($31,100 in 1999).

Interest Risk Management

Fluctuations in interest rates are managed by actively managing the duration of the fixed-income portfolio. The WCB also enters into various types of interest rate contracts in managing interest rate risk. The table below represents the remaining term to maturity of the WCB's outstanding fixed-term investments.

	Remaining Term to Maturity				
Market Value	Within 1 Year	Over 1 Year To 5 Years	Over 5 Years	Total 2000	Total 1999
Fixed-Term Investments	$ 70,109	$ 644,331	$1,177,696	$1,892,136	$1,549,264

The fixed-term investments include bonds, debentures and other interest-bearing instruments. The average effective yield of these fixed-term investments, excluding the investment in real return bonds, is 5.95% (1999: 6.45%) per annum based on market value.

6. CAPITAL ASSETS (thousands of dollars)

	2000			1999
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	$ 1,119	$ -	$ 1,119	$ 1,119
Buildings	25,796	(14,313)	11,483	11,221
Equipment	6,779	(2,326)	4,453	4,329
Computer software	67,040	(36,419)	30,621	17,292
	$ 100,734	$ (53,058)	$ 47,676	$ 33,961

7. PAYABLES AND ACCRUALS (thousands of dollars)

	2000	1999
Accrued staff benefits	$ 13,589	$ 10,334
Voluntary Incentive Plan	-	2,716
Partners In Injury Reduction	15,897	-
Other	18,181	22,267
	$ 47,667	$ 35,317

8. DEFERRED REVENUE (thousands of dollars)

	Deferred Realized Gains (Losses)			
	2000			1999
	Fixed Term	Equities	Total	Total
2001	$ 15,179	$ 147,243	$ 162,422	$ 213,266
2002	14,500	104,605	119,105	61,059
2003	12,015	59,432	71,447	36,047
2004	12,042	23,246	35,288	10,642
2005 - 2009	28,305	-	28,305	21,304
	$ 82,041	$ 334,526	$ 416,567	$ 342,318

9. CLAIM BENEFIT LIABILITIES (thousands of dollars)

	2000							1999
	Short Term Disability	Long Term Disability	Survivor Benefits	Health Care	Rehab-ilitation	Claim Admin	Total	Total
Balance at beginning of year	$ 513,000	1,222,300	460,400	557,500	89,900	157,700	$3,000,800	$2,652,000
Add:								
Claim costs incurred:								
Current year injuries	169,761	89,762	20,696	154,688	25,728	71,599	532,234	436,256
Prior years' injuries	46,692	91,111	29,323	66,691	24,009	11,234	269,060	385,079
	216,453	180,873	50,019	221,379	49,737	82,833	801,294	821,335
	729,453	1,403,173	510,419	778,879	139,637	240,533	3,802,094	3,473,335
Deduct:								
Claim payments made:								
Current year injuries	69,761	518	902	51,788	1,628	19,499	144,096	122,548
Prior years' injuries	119,492	92,755	71,017	77,691	24,709	45,934	431,598	349,987
	189,253	93,273	71,919	129,479	26,337	65,433	575,694	472,535
Balance at end of year	$ 540,200	$ 1,309,900	$ 438,500	$ 649,400	$ 113,300	$ 175,100	$3,226,400	$3,000,800

Claim payments for health care include reimbursement of $1,266 ($4,238 in 1999) to Alberta Health for basic health services for injured workers.

The following is a reconciliation of the claim benefit liabilities:

	2000	1999
Balance at beginning of year	$ 3,000,800	$ 2,652,000
Add:		
Provision for current year injuries	388,137	313,708
Interest allocated	187,700	173,700
Revision to compensation policies:		
Services to severely injured	-	33,000
Chronic pain syndrome	-	13,000
Delayed fatalities	-	1,700
Revision to compensation procedures:		
Earning loss supplements	-	10,300
Remarried spouses	-	80,000
Difference between actual and expected long-term cost of living adjustments	2,600	(36,400)
Claim cost experience higher (lower) than expected	79,800	139,466
	3,659,037	3,380,474
Deduct:		
Payments, for prior years' injuries, excluding self-insured employers	424,937	344,374
Revision to actuarial methodology	7,700	35,300
Balance at end of year	$ 3,226,400	$ 3,000,800

10. PROVINCIAL PENSION PLANS (thousands of dollars)

The WCB participates in multi-employer pension plans being the Public Service Pension Plan and the Management Employees' Pension Plan. The expense for these pension plans is equivalent to the annual contributions of $2,772 for the year ended December 31, 2000 (1999 - $2,124).

The WCB's portion of the unfunded pension liability for the Management Employees' Pension Plan as at December 31, 2000, as determined by the Provincial Treasurer, is as follows:

	2000	1999
Management Employees Pension Plan	$ -	$ 963

11. INVESTMENT REVENUE (thousands of dollars)

	2000	1999
Dividends and interest		
Fixed term	$ 128,721	$ 88,517
Equity	27,716	14,857
Real estate	6,863	6,151
	163,300	109,525
Add:		
Amortized realized and unrealized gains	266,180	306,845
	429,480	416,370
Deduct:		
Investment related administration expenditures	672	936
	$ 428,808	$ 415,434

12. OTHER REVENUE (thousands of dollars)

	2000	1999
Millard Centre (Note 13)	$ 1,175	$ (117)
Access to information	670	565
Prejudgment interest	504	718
Legal consultation	394	430
Other	52	64
	$ 2,795	$ 1,660

13. MILLARD CENTRE (thousands of dollars)

	2000	1999
Revenue		
Charged to health care claim costs	$ 15,638	$ 11,974
Non-WCB treatment services	286	149
	15,924	12,123
Expenditures		
Salaries and employee benefits	10,692	9,158
Consulting fees	1,640	1,128
Office and communications	1,199	913
Building operations	968	935
Travel and vehicle operation	212	60
Amortization of capital assets	38	46
	14,749	12,240
Operating Surplus (Deficit)	$ 1,175	$ (117)

14. ADMINISTRATION EXPENDITURES (thousands of dollars)

	2000	1999
Salaries and employee benefits (Schedule A)	$ 84,505	$ 76,388
Office and communications	18,728	18,707
Consulting fees	10,415	12,082
Amortization of capital assets	8,468	15,434
Building operations	4,133	4,193
Travel and vehicle operation	1,367	1,381
Other	106	94
	127,722	128,279
Deduct:		
Claim administration costs	65,433	63,791
Charged to investment revenue	562	788
	$ 61,727	$ 63,700

15. SELF-INSURED EMPLOYERS (thousands of dollars)

These financial statements include the effects of transactions carried out for self-insured employers who directly bear the cost of their workers' claims and an appropriate share of administration expenditures. Currently, the Federal Government is the only self-insurer. This is a contractual relationship in accordance with the Government Employees Compensation Act. Certain government-related entities and railways are responsible for the cost of injuries to their workers which occurred when they were self-insured in prior years. Aggregate amounts of such premiums and offsetting expenditures are contained in the Statement of Operations as follows:

	2000	1999
Premium revenue	$ 7,558	$ 6,439
Claim costs incurred:		
Short-term disability	$ 1,644	$ 1,515
Long-term disability	1,751	1,590
Survivor benefits	1,067	637
Health care	1,713	1,421
Rehabilitation	166	142
	6,341	5,305
Administration expenditures	1,217	1,134
	$ 7,558	$ 6,439

16. INJURY REDUCTION (thousands of dollars)

	2000	1999
Occupational Health and Safety	$ 6,000	$ 6,000
Safety Associations	4,393	3,648
Voluntary Incentive Plan	(364)	2,570
	$ 10,029	$ 12,218

The WCB has a statutory obligation to reimburse the Provincial Treasurer a portion of the costs associated with occupational health and safety.

Funding is provided to industry-sponsored safety associations for the purpose of improving the workplace.

The Voluntary Incentive Plan is based on the premise that injuries, and in turn claim costs, can be reduced through health and safety management. Financial incentives are provided to employers who reduce claim costs. The last year of the Voluntary Incentive Plan was 1999. It has been replaced with the Partners in Injury Reduction program, which is netted against premium revenue.

17. APPEALS COMMISSION

The Appeals Commission is a separate legal entity whose operating costs are paid by the WCB from the Accident Fund in accordance with Section 6 of the Workers' Compensation Act. The Appeals Commission is managed separately from the WCB.

18. COMMITMENTS (thousands of dollars)

A number of operating leases exist for computer equipment and office space. The following is a schedule of future lease payments to be charged to administration expenditures:

2001	$ 4,716
2002	2,381
2003	1,704
2004	439
Beyond	3,884
	$ 13,124

19. BUDGET

The Board of Directors approved the budget in October 1999. The budget is presented for comparison with the 2000 actual figures.

20. COMPARATIVE FIGURES

The 1999 figures are reclassified where necessary to conform to 2000 presentation.

WCB Salaries and Benefits
Schedule A
December 31, 2000

	2000					1999	
	Number of Individuals	(1) Salary	(2) (3) Benefits	Other	Total	Number of Individuals	Total
Chairman, Board of Directors (4)	1	$ 70,604	$ 1,330	$ -	$ 71,934	1	$ 56,520
Board Members (4)	9	166,612	5,092	-	171,704	9	168,669
	10	237,216	6,422	-	243,638	10	225,189
President and Chief Executive Officer	1	321,101 (5)	32,277 (6)	-	353,378	1	355,699
Vice President, Customer Service & Disability Management	1	203,169	26,183	-	229,352	1	215,325
Vice President, Customer Service & Risk Management	1	179,688	25,105	-	204,793	1	199,234
Vice President and Chief Financial Officer	1	190,031	25,889	-	215,920	1	263,659
Vice President, Business Development & Information Management	1	191,173	29,195	-	220,367	1	160,873 (7)
Secretary & General Counsel	1	180,406	27,225	-	207,631	1	197,120
Vice President & Chief Information Officer	0	20,546 (8)	16,644	-	37,190	1	185,125
	6	1,286,113	182,517	-	1,468,630	7	1,577,035
Full-Time Staff: (2000 - $54,288, 1999 - $51,983)	1,598	75,811,997	10,940,778	-	86,752,775	1,567	81,457,334
Termination Benefits	-	-	-	2,344,044 (9)	2,344,044	-	1,304,452
Long-Term Disability	-	-	-	3,251,611 (10)	3,251,611	-	854,390
Provincial Pension Plans	-	-	-	(963,178) (11)	(963,178)	-	(1,995,713)
Other Staff Related Expenses	-	-	-	2,100,114 (12)	2,100,114	-	2,124,031
Less: Salaries & Benefits for the Millard Centre		(9,156,136)	(1,535,933)	-	(10,692,069)		(9,158,472)
Administration - Salaries & Benefits (13)		$ 68,179,190	$ 9,593,784	$ 6,732,591	$ 84,505,566		$ 76,388,246

(1) Salary includes regular base pay, special incentive pay, overtime, performance awards, vacation pay, honoraria and contractor's fees.

(2) Employer's share of employee benefits and contributions or payments made to or on behalf of employees. It is comprised of Canada Pension Plan, Employment Insurance, Public Service and Management pension plans, medical benefits, group life insurance, disability plans, employee and family assistance plan, professional memberships and tuition, long service, suggestion and retirement awards, and vacation payout.

(3) No amount included in benefits and allowances for car allowances, car insurance, or the value of parking and interest-free loans.

(4) The Chairman of the Board of Directors and Board Members are part-time positions.

(5) Salary includes base salary of $256,267.00 and measured variable pay for performance of $64,834.00.

(6) The President and Chief Executive Officer does not participate in the Public Service Benefit Plan. The Board of Directors has provided her with an amount in lieu of pension paid directly.

(7) The appointment to the position was effective April 1999.

(8) The position was abolished effective February 2000.

(9) Termination benefits include retiring allowances, accrued sick leave and other settlement costs due to loss of employment. Included in the termination benefits is $187,500 paid to the Vice President & Chief Information Officer.

(10) The adjustment to the liability for long-term disability claims reflects changes to the actuarial present value of all future payments expected to be made for claims which have occurred in current and prior years.

(11) Represents adjustments to Provincial Pension Plan Liabilities.

(12) Other staff-related expenses include recruitment costs, seminars, conventions and conferences, staff and association luncheons and meetings, in-house training programs, retirees benefits and relocation costs.

(13) Excluded from this total is the Appeals Commission as it is a separate legal entity. See Schedule A-1 for details.

Appeals Commission Salaries and Benefits
Schedule A-1
December 31, 2000

	2000					1999	
	Number of Individuals	(1) Salary	(2) (3) Benefits	Other	Total	Number of Individuals	Total
Chief Appeals Commissioner	1	$ 120,959	$ 19,020	$ -	$ 139,979	1	$ 125,628
Full-Time Commissioners	9	588,708	111,103	-	699,811	7	548,920
Temporary Appeals Commissioners	28	675,218	16,660	-	691,878	26	594,854
	38	1,384,885	146,783	-	1,531,668	34	1,269,402
Other Full-Time Staff (2000 - $55,399, 1999 - $51,593)	39	1,911,137	249,413	-	2,160,550	39	1,998,163
Termination Benefits	-	-	-	-	-	-	-
Long-Term Disability	-	-	-	-	-	-	-
Other Staff Related Expenses	-	-	-	9,132	9,132 (4)	-	35,399
TOTAL		$ 3,296,022	$ 396,196	$ 9,132	$ 3,701,350		$ 3,302,964

The Appeals Commission is a separate legal entity funded by the accident fund but administered separately from the Workers' Compensation Board.

(1) Salary includes regular base pay, special incentive pay, overtime, performance awards, vacation pay, honoraria and contractor's fees.
(2) Employer's share of employee benefits and contributions or payments made to or on behalf of employees. It is comprised of Canada Pension Plan, Employment Insurance, Public Service and Management pension plans, medical benefits, group life insurance, disability plans, employee and family assistance plan, professional memberships and tuition, long service, suggestion and retirement awards, and vacation payout.
(3) No amount included in benefits and allowances for car allowances, car insurance, or the value of parking and interest-free loans.
(4) Other staff related expenses include recruitment costs, seminars, conventions and conferences, staff and association luncheons and meetings, in-house training programs, retirees benefits and relocation costs.

Year at a Glance

	2000	1999
Number of workers covered	1,214,886	1,158,904
Lost-time claim rate (per 100 workers)	3.3	3.2
Number of claims reported	146,361	123,463[3]
Number of lost-time claims[1]	40,600	36,900
Number of recurrent claims[2]	23,511	16,403[3]
New non-economic loss and permanent disability awards	2,578	2,116
Fatal claims accepted	118	114
Lost-time claims disallowed on the basis of ineligibility	2.1%	2.5%[3]
Number of new appeals - CSRC	3,706	3,820
Return-to-work percentage	87.2%	86.3%
Claim costs (millions)	$801	$821[4]
Registered employers	96,194	90,989
Premium revenue (millions)	$394	$354
Average actual premium rate (per $100 of insurable earnings)	$1.12	$1.07
Investment revenue (millions)	$429	$415
Fund Balance (millions)[5]	$377	$359
Rate and Benefit Stabilization Reserve (millions)[5]		$157
Occupational Disease Reserve (millions)[5]	$222	$135

Summary of Claims Administered 1999-2000

	2000		1999[3]	
Active claims as of January 1		30,735		31,569
New lost-time claims	40,457		35,645	
New medical aid claims only	105,904		87,818	
Total new claims reported	146,361		123,463	
Recurrent claims[2]	23,511		16,403	
	169,872	169,872	139,866	139,866
Total Claims administered		200,607		171,435

Non-eligible claims

	2000	1999
Lost-time claims		
Insufficient information available to process claim	108	61
Not covered under Workers' Compensation Act	100	115
Injury or illness not arising out of/in course of employment	757	759
Medical Claims only		
Insufficient information available to process claim	3,714	3,026
Not covered under Workers' Compensation Act	955	724
Injury or illness not arising out of/in course of employment	1,707	1,170

[1] Lost-time claims and the lost-time claim rate are projected. This approach is taken to ensure claims for accidents occurring in 2000, but not reported by year end, are considered.

[2] Previously inactive claims that required further adjudication or case management. Claims may reopen for a number of reasons such as payments for medical aid or requests for further compensation benefits.

[3] These figures have been restated from those used in previous reports. The current method is considered to more accurately depict the claims administered.

[4] Includes $138 million for one-time special payments to re-married spouses, and policy and procedure changes.

[5] The Rate and Benefit Stabilization Reserve has been combined with the Fund Balance and the Occupational Disease Reserve was increased to 6% from 4% in accordance with the Board of Directors' approval of the Funding Policy change effective August 1, 2000.